THE FINANCIAL POST

The Canadian Newspaper for Businessmen and Investors

Largest Circulation of All Canadian Financial Papers

Vol. XXXV | Member of Audit Bureau of Circulations | PUBLICATION OFFICE: TORONTO, JANUARY 18, 1941 | 10c a Copy: $5.00 a Year | No. 3

The Nation's Business

Exit Without Tears: The Bren Gun Contract

The munitions contract that the Government described as "the best contract ever negotiated" has, wisely, been cancelled by the very government that wrote it.

Terms of the new contracts with the John Inglis Company for overseeing Bren gun manufacture have not yet been made known. Thus any final judgment must be reserved. But these facts are reliably reported:

> Payment for the guns on the basis of cost plus a *percentage* has been eliminated. Now the company will receive cost plus a *fee;* first, an engineering fee for building the plant and tooling it up, and second, a management fee in connection with the manufacture of the guns and parts.
>
> The fees will amount to considerably less than the 10% provided for in the original contract.
>
> A considerable number of items of management and overhead cost, which were originally calculated as part of the cost of the guns, and on which the Inglis Company would receive an additional 10%, are now to be paid out of the management fees received.

The final result, the Government statement indicates, will be a reduction in the cost of the guns.

* * *

In the original article in Maclean's Magazine which criticized this contract, and in subsequent articles in The Financial Post, the features of the original contract that have now been changed are among the ones that were chiefly discussed. There was no adequate control of costs and no true incentive to economical operations. The Post cannot but be gratified that its criticisms are now admitted to have been soundly based.

Considering that it had virtually staked its very political life upon the original contract, the Government showed some courage in abandoning it. Yet it could do little else, for the original deal it made was one of the most costly and blundering transactions in the whole history of Canadian government buying.

* * *

It is curious that having set out to clear this exceedingly bad contract off its books Ottawa showed some diffidence about admitting the fact. Parliament was kept in dark about the matter when it met last November. The news came out almost by accident. As a result, the political fat is now in the fire again.

However, in the political controversy that may take place The Financial Post has no interest. Its interest, and that of Maclean's Magazine, has been at all times to establish a businesslike, economical system of defense purchasing in this country. A great deal of progress has been made toward these objectives.

* * *

The one direct recommendation made by Justice Davis, after examining the Bren gun contract, was that the letting of munitions contracts be removed from the Department of National Defense and put under a more competent organization. From his recommendation there developed, in turn, the Defense Purchasing Board, the War Supply Board and now the Department of Munitions and Supply. The first of these bodies was set up, as a direct result of Justice Davis's recommendations, well before the war started. The others were later extensions of the idea.

Had Canada entered the war with no more competent defense buying organization than existed in the Department of National Defense at the time this contract was signed, the confusion, waste, inefficiency and graft would have been colossal.

The rewriting of the terms of the Bren contract is important; but it is a trifling matter compared with the establishment of an improved system of defense purchasing, from which Canada must already have saved scores of millions of dollars.

Another constructive development was the retirement from the Department of National Defense of the two men chiefly responsible for this contract — Messrs. Mackenzie and LaFleche. Both got other jobs but the main thing was to strengthen the vital war department by removing them from its scene.

* * *

Those who exposed this contract, and the system that made it possible, may look upon that achievement with some pride. And they will weigh its significance against the abuse and bad temper of those who spoke of the exposure as a "dastardly betrayal of Canada"; who called the critics men who had "sold out Canada and the defenses of the Empire"; who claimed that those who exposed their incompetence had "hounded and humiliated" and "dangerously hampered" the work of the department.

The criticism did hamper a certain kind of work, not of the war-winning kind. But it enabled Canada to enter the war with a de-

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Steel Supply Closer To Meeting Needs

Need For Further Civilian Restrictions Postponed as Output Rises While Full Wartime Demand Delayed — September Critical Month

From Our Own Correspondent

OTTAWA.—Canada's steel supplies now appear closer to meeting estimated needs than was generally believed two or three months ago. This is due, The Financial Post is told, chiefly to three factors:

1. Canadian steel mills have done an excellent job of increasing production on short notice.

2. Attitude of the United States toward providing steel to meet essential needs in Canada, where shortages develop in this country, has become more favorable.

3. Demand from some sources—particularly construction — shows signs of tapering off.

Restrictions Postponed

But about the most that this has meant, high authorities tell The Post, has been that further restrictions on civilian use of steel have been postponed, for how long it is hardly possible to state at present.

It also appears that perhaps original estimates by Government economists may have been too high so far as they concerned civilian uses for steel as business stepped up toward maximum employment. Steps have been taken to cut down certain uses, in such items as motor cars, household appliances, housing and other lines where the first estimates had not provided for checks.

Output Boosted

Canadian steel mills have boosted average annual production of steel in various forms from 1.3 million tons in the years 1935 to 1938 inclusive to about two million tons in 1939 and now up to a rate of about 2¼ million tons. This is said to be an actually attainable rate of output with present plant. Extensions have been made, or are under way, which will add about 160,000 tons, about 60% in alloy steels and the rest in other steels.

Not all types of steel are in equally good supply, however, and some of the types most widely used in civilian life are in shortest supply. Sheets and plates are said to be in least favorable position. This is partly because imports of such steels for galvanizing, tinplating or as black sheets from Great Britain was heavy before the war. Now this source is cut off and Canadian capacity is proving inadequate as yet.

Executives of leading steel firms are even more cautious than Ottawa officials. They suggest that, while there may be a temporary easing of the supply of steels for many uses, this should not be interpreted as indicating that the problem has been solved. They maintain, moreover, that it is impossible to separate completely civilian consumption of steel from war uses, and say that there is a supply of steel over and above the war demand.

War demand, they claim, is growing steadily and by all indications should continue to do so. As regards a surplus for other purposes than war, it is admitted that at present there may be a temporary excess of supply in both Canada and the United States but that this does not indicate anything more than the desire of the steel producers to anticipate demand which they know is coming.

In other words, they are working ahead for future needs which are larger than usual. Steel firm executives assert positively that there will be a war demand, directly or indirectly, for all the steel that could be produced in this country during the current year.

Crisis Period Postponed

One point that seems to be developing in the steel supply is that the period of critical supply, originally calculated as likely to occur next July, has probably been postponed until September. But full production of war materials also has been postponed. In other words, the date when Canada's full productive capacity for war needs will be in use is farther away than expected as recently as three months ago.

Structural Shapes Controlled

One of the most recent moves to conserve steel supplies and permit more efficient use of productive facilities is the order issued by Steel Controller H. D. Scully reducing number of standard structural steel shapes rolled by Canadian mills from 267 to 70. This move, which to a large extent originated with the structural steel industry itself, is a valuable aid in assuring more efficient use of what we have.

According to Mr. Scully's announcement delays in frequent changes of shapes of steel being rolled will be reduced. By this means he hopes to augment rolling capacity, bringing this up to the melting capacity of steel furnaces.

Inventories Reduced

An important factor is that amount of steel tied up in inventory will be greatly reduced. The new shapes, including I beams, H beams, channels and angles, are those which both mills and steel fabricators consider best suited to modern needs. Recommendation of the Canadian Institute of Steel Construction was adopted.

While the latest order is only intended to extend for the duration of the war, steel firm executives tell The Financial Post that the industry would be better off in peacetime as well with a simplified array of available structural steel shapes. A few firms, such as agricultural implement makers, may find it necessary to change some of their manufacturing equipment to accommodate available shapes where other sizes had been used.

C. G. E. Likely To Show Gain

Volume Up Last Year and Unfilled Orders at Record

Business of Canadian General Electric Co. in 1940 was larger in volume than the previous year. But a corresponding gain in net profits was prevented by heavier taxation, The Financial Post is told by official sources.

However, when the annual report appears—probably in March—it is likely to show a small increase in net profit in spite of the higher taxes. In 1939 the company reported net equivalent to $10.88 a share on its common.

Outlook Good

The company started 1941 with unfilled orders on hand for all its regular products much above a year ago, and setting new records for the company. This forecasts a high rate of operation for some months to come, The Post is told.

Large quantities of electrical equipment were in demand last year and productive facilities are still taxed. Most of this demand arose from expansion of Canada's productive facilities due to the war, but the larger portion of Canadian General Electric's gains was not directly due to war business. It came from companies which were installing new equipment, rehabilitating existing machinery or building new plants to fill war orders.

Company sources also state that business of the departments making household equipment was well above the previous year.

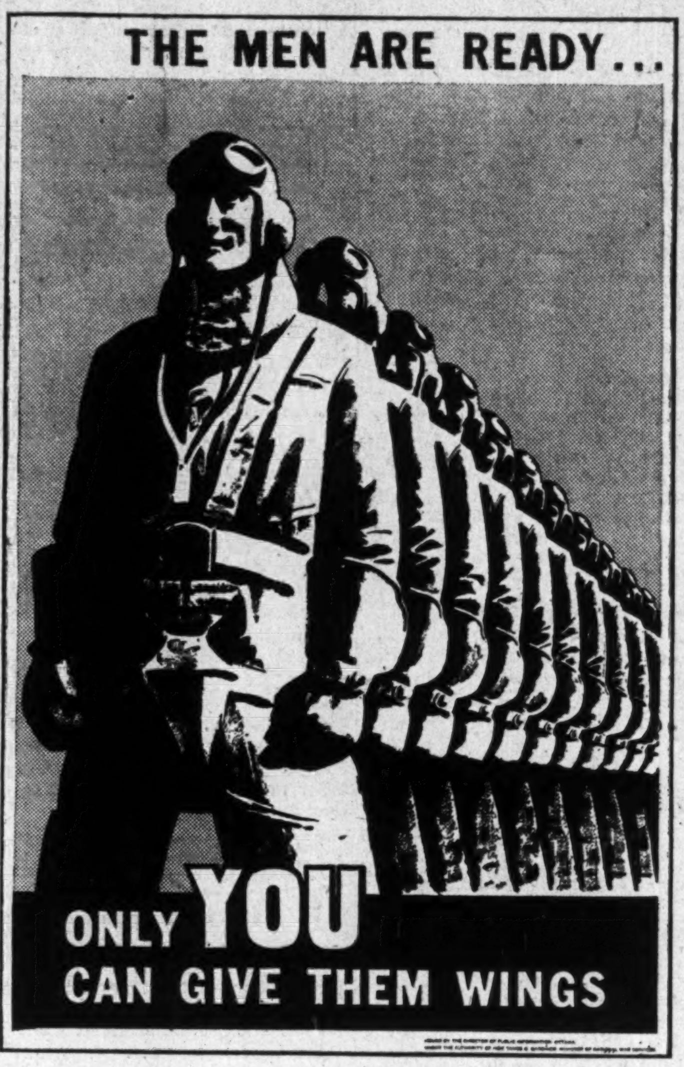
General Manager Retires

J. J. Ashworth, general manager and a director of the company, retired on pension at Dec. 31 last, The Financial Post learns. Mr. Ashworth had a record of 48 years' service with Canadian General Electric, joining the company when it was first incorporated in 1892.

No appointment has yet been made to fill Mr. Ashworth's position. The Post is told that the company has not worked out its policy in this regard. It is stated, however, that probably no one will be appointed to fill the exact position which Mr. Ashworth held.

Fleet Aircraft Income Expands

Net earnings of Fleet Aircraft Ltd., before taxes, have been running around the rate of $75,000 a month, or the equivalent of $5 a share on an annual basis on the outstanding 190,289 shares. This reflects a sharp advance in earning power, as in the year ended Dec. 31, 1939, the company had a net loss of $22,798 compared with a profit of $66,742 in 1938.



This Government poster is being prominently displayed in all aircraft factories in Canada to stress the vital part being played by factory workers in building up a fighting air force.

Paper Mills Set Record In Volume

Newsprint Exports Last Year $185 Millions, With $143 Millions in U. S. Funds

From Our Own Correspondent

MONTREAL. — Canada's newsprint industry has just concluded one of the greatest years in its history.

In 1940 value of newsprint exports from this country in round figures was $185 millions, of which nearly $143 millions was in the form of U. S. dollars.

This is the largest dollar return in the industry's history, even exceeding that of 1937 when shipments were valued at $155 millions.

Operate at 78.3%

Canadian newsprint mills operated at 78.3% of their rated effective capacity in 1940. Shipments were equivalent to 78.7% of capacity.

Percentage of Capacity

	Production	Shipments
1940	78.3	78.7
1939	66.8	66.6
1938	62.4	59.8
1937	93.9	94.1

These returns, compiled by the Newsprint Association of Canada and the News Print Service Bureau, indicate a sharp improvement over 1939 or 1938. The returns, however, were somewhat less impressive than in 1937—the all-time record year of

(Continued on page 2, col. 5)

Brake on War Buying Bren Deal Ditched

Famous Machine Gun Contract, Long Defended by Government, is Finally Jettisoned as it Proves Obstacle to Efficient Purchasing

From Our Own Correspondent

OTTAWA.—Hampered and hobbled in its work by the improvident terms of the contract with the John Inglis Company for the manufacture of Bren light machine guns, the Department of Munitions and Supply last fall cancelled the contract. In its place it substituted contracts much less profitable to the contractors, and more in line with those offered other Canadian industrialists.

When this news burst upon Parliament Hill last week it provided the most dramatic incident yet in the 2½-year-old controversy that has raged around this contract.

The controversy began when Maclean's Magazine, in August, 1938, revealed the sordid story of political favoritism in the awarding of the contract, and The Financial Post called for a "complete judicial investigation" into the affair. The Post demanded to know why well-equipped, experienced Canadian manufacturing firms had never been invited to tender on the contract, which instead was awarded to a plant that consisted of little more than four bare walls.

The controversy grew in bitterness as a Royal Commission was appointed and later as a Parliamentary Committee investigated the contract.

Throughout the months of controversy the contract was staunchly defended by the Government that negotiated it.

But today the contract upon which was showered such parental praise is gone. It was cancelled out of hand because its very existence hampered the effective prosecution of war buying by the Department of Munitions and Supply; a department, incidentally, whose formation resulted from the exposure of the unbusinesslike negotiation of the Bren contract.

Texts Not Available

The full texts of the two new Bren gun contracts have not been made public. The following summary of them is, however, as closely accurate as is possible to give under the circumstances. Until the full texts are released it will be difficult to appraise the new Bren deal fully, because vital information is still lacking.

The original Bren contract with the Inglis company was dated March 31, 1938. It was supplemented by a contract with the British War Office in the following June. On Sept. 3, 1938, a letter from J. E. Hahn, president of the company, to the then Deputy Minister of National Defense, Maj.-Gen. L. R. LaFleche, declared agreement limiting aggregate profit.

Additional to the contract of March and the letter of September, there appears to have been a number of communications between the Government and the company modifying these original agreements—enlarging the terms, extending the range of weapons to be produced.

Old Deal Liquidated

All these arrangements were cancelled on Oct. 31, 1940, and were replaced by two new contracts. The new contracts are retroactive to the beginning of Bren gun business. All the moneys to be paid to the company from the outset are now to be calculated on the terms of these new contracts.

In every practical sense the original contract is wiped out. It is as though the new contracts had been the original agreement between the Government and the company.

To that end, there is to be an accounting as to the date of the can-

(Continued on page 8, col. 1)

Jobless Plan Start Delayed

Two-months Lag is Reported in Putting Scheme in Effect

From Our Own Correspondent

OTTAWA. — There has been a two-month delay in bringing the Unemployment Insurance Act into operation. This is largely because its provisions have had to be examined by experts to make certain the statute is workable and, perhaps, to determine what amendments, if any, will be required.

It had been the intention to bring in the new measure by April, but now it is thought that the organization will not begin to operate until July.

Statistics with respect to the scheme which have been appearing in the daily press will require a good deal of revision. Basically, the calculations have rested upon the 1931 census and it has been estimated that 2,100,000 persons will come under the scheme.

Revenue May Jump

The revenues from employees and industries were estimated at $48 millions per year. The Government contributes 20%, which brings the total up to about $57.5 millions, and Ottawa also chips in the cost of administration, which is placed at $5,250,000 per year.

In point of fact, the number of workers and industries that will come under the plan will greatly exceed these estimates. Owing to the war boom it is thought that there may turn out to be 2,500,000 insured, even more. This would not only increase the revenues from premiums but also from the State. The fund will probably earn nearer $68 millions than $57 millions.

Entrants Analyze Mine Prospects

Producing Mines May Be Stressed As Few New Mines Developing

With very few promising new properties being developed, a number of prospective contestants in The Post's "Investing in Canada's Mines" contest have suggested that most entries will have to stress mining properties already in the producing category.

This, they feel, may perhaps make selection of a mines portfolio a somewhat simpler task than would otherwise be the case. Possibilities of producing mines can be determined with a greater degree of accuracy than properties with no production experience behind them, it is suggested.

Readers of The Post are urged to submit an entry in The Post's contest. Feb. 1 is the closing date. Your ideas on mining investment can be shared beneficially with other Financial Post readers through the medium of the contest. This is in no sense a contest for professional statisticians and investment counsel alone. Entries are hoped for and expected from these people, but entries are also desired from the small investor. To ensure filing of entries by Feb. 1, it would be a good idea to sit down and start work on your entry today. First prize is $100, second prize $50.

The contest involves the selection of a $25,000 portfolio of mining investments for a businessman who expects a reasonable return on his money.

Sirois Report's Fate Thrown Into Future

Hope of Early Action Killed at Ottawa Conference, Deferring Disposal of Plan Until Possibly After the War

From Our Own Correspondent

OTTAWA. — The Sirois Report was left high and dry by the sharply cleft stream of views at the Dominion-Provincial Conference here this week.

Reduced to basic essentials, two clear-cut facts emerge from the debacle of the Conference: Any prospect of immediate adoption of the Report has been finally killed and the future of its proposals left most uncertain.

Any hope of eventually implementing the Report or salvaging anything from some or all of its various plans now appears to resolve itself into three main alternatives. In the light of the present situation surrounding the Report these potential developments are:

1. A further attempt this year to deal with the Report and implement at least some of its proposals. This could not conceivably be made until after the coming session of Parliament, delaying action for five or six months at least.

2. Definite shelving of the Report and even its major proposals until after the war, perhaps for several years afterward, to permit adjustment of postwar conditions.

3. Laying of a foundation through this week's Conference, perhaps by a liaison committee such as suggested by Premier Campbell of P. E. I., for adjusting the problems tackled by the Sirois Report. Such a procedure, probably involving laborious negotiations with each province, would likely concentrate on wartime problems of revenue and jurisdiction and attempt to cope in advance with postwar difficulties.

Procedure Uncertain

Particularly in view of the outcome of this week's parley, it is an open question whether any future attempt to implement the Report will seek to revive the conference. However, Prime Minister King still holds to his stand that implementing of the Report must be by unanimous agreement.

Mr. King also took a firm position this week against use of the Government's arbitrary wartime powers to rectify the conflicts which he said made it desirable to adopt the Report. These conflicts, he argued, made for confusion and instability in Dominion-provincial relations and were hampering the war effort.

Regardless of how one may appraise the final conclusion and future results of the Conference, its net result on the very first day was that the Conference was finished as far as any early action on the Report was concerned. The Report was definitely killed for the time

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The War And Business . . *A Weekly Round-up*

No Steel Surplus

There have been stories around lately that the war demand for steel in Canada was slackening, that steel was available for release for civilian purposes.

Steel executives, checked on this story, do not confirm it. The Canadian war demand for steel is growing steadily, they say. There is going to be no "surplus" of steel for an increase in non-war purposes, or even to maintain the present rate of non-war consumption.

A special article elsewhere deals with the situation more fully.

* * *

New Competition

The war may enhance the skill and enlarge the capacity of Canadian industries. But it will also bring new competition to our plants.

The New York Times last Sunday had a revealing survey of how Australian industry has expanded under the stimulus of war conditions. The British Ministry of Information has issued a statement of what is going on in India, which can, for instance, now meet all the steel requirements of the Middle East and Iraq.

India is making rifles and machine guns, small arms ammunition, saddlery and blankets, armor plating and shells, artillery up to 6 in. guns and 6 in. howitzers, anti-aircraft guns and bombs and mines. Soon she will be making airplanes.

* * *

U. S. Convoy Ships

Best informed commentators in Washington continue to assert that the United States Navy will be in the war before the Americans are. One service emphasizes that President Roosevelt spoke in terms that could only mean delivering the war goods to Britain. Another says the Government will not sit idle while American planes, tanks and guns are sent to the Atlantic's bottom before reaching Britain.

Use of American cruisers and destroyers for convoying merchant ships across the Atlantic seems to be on the cards.

Production First

Farm boys are to be given "every benefit of the doubt" in applying for postponement of military training under the defense training plan. This is officially announced at Ottawa and it is added that instructions to this effect have been sent by letter to the chairman of local boards under the military training plan. Moreover, it is understood that there is an order-in-council back of the letter.

Unofficially it is said at Ottawa that this move on the part of Hon. J. G. Gardiner, Minister of National War Services, may be taken as an indication that the revision of the training scheme is to be even more drastic than hitherto contemplated. Mr. Gardiner is also minister of agriculture.

This announcement tends strongly to indicate that Mr. Gardiner has experienced a remarkable change of heart with respect to training since he returned from Britain last fall and when, in public speeches and broadcasts, he advocated the enforcement of the training plan regardless of the opposition of employers.

* * *

Furs and Dollars

The Dominion Government is undertaking an experiment in furs. Some time ago the importation of furs from the United States was stopped as a means of conserving foreign exchange. Late last week this decision was reversed and permits were issued to Canadian buyers to go to the United States and buy, for import, up to 75% of their 1939 purchases. Many fur buyers are taking advantage of the opportunity.

In explanation, it is pointed out here that Canadian fur production is of high quality and commands a good export market: it can be sold abroad advantageously alike to the sellers and the nation. Rather than drive a substantial part of the Canadian catch into domestic consumption, it has been decided to permit cheaper U. S. furs to come in and thus maintain our exports at peak.

On balance it is believed that more foreign exchange will be gained than lost. The permits now being issued are good only till Feb. 28 and it is estimated that about $2,000,000 of furs will be imported.

* * *

No War Strikes

Another step in control of wages has been taken by Hon. Norman McLarty, minister of labor. He has communicated with representatives of the employers and the trades unions suggesting that a panel of chairmen for conciliation boards be agreed upon. Following agreement it is expected that as soon as the new panel has established confidence among the two parties to industry, the Government will prohibit strikes and lockouts in war industries.

It is not known, as yet, what the response of labor and employers will be to this proposal but the Government is very serious in seeking to complete the policy begun by the order-in-council proclaiming the 1926-29 ceiling.

* * *

War Charities

The decision to bring five national war charities into a single joint campaign in March is generally commended. The next step will be for the National War Charities Advisory Committee to examine and pass upon the budgets of the five—Y.M.C.A., Y.W.C.A., Salvation Army, Knights of Columbus and Canadian Legion.

Where there is overlapping it will be eliminated. Where too large a sum has been included in the budgets for peacetime activities the sum is likely to be reduced.

A figure of $4 millions has been mentioned as the likely total budget for the campaign. This sum should be easily reached. The Canadian Red Cross Society, which, it would appear, is fully financed for the current year was able to raise over $6 millions in its campaign.

* * *

The problem of what to do with any funds raised over and above the budgets is one that has to be faced. It may be suggested that this money be placed in trust; to be paid out only in emergencies, and with any final "carryover" going to reduce the amounts that would have to be raised in a campaign in 1942.

The Red Cross will not join the March campaign because it had raised its 1941 funds before the principle of one campaign had been decided upon. But before 1942 the position of the Red Cross will be considered by the National Advisory Committee under C. L. Burton. There are some who feel the Red Cross should be allowed to remain outside. One argument is that while the war work of the other groups is largely in the field of services to the fighting forces Red Cross work is more directly concerned with the amelioration of human suffering. Another point is that the Red Cross has an especial appeal to American contributors, an appeal that might be sublimated in a joint campaign. All such considerations will, no doubt, be weighed when the decision must be made.

* * *

More Estimates

The open season for estimates of war cost and the value of war production continues. Two weeks ago The Financial Post published a list of six estimates, all of which varied and all of which came from responsible ministers or officials. Now comes Hon. Angus Macdonald, Acting Minister of Munitions and Supply, with an estimate quite different from all the others.

Mr. Macdonald says that plant extension and new plant, now being built, to the extent of $280 million dollars will produce goods at the rate of some $800 millions per year.

A few days earlier W. F. Drysdale, Director General of Munitions Production, placed the new capital investment at $200 millions and the estimated production at over $1,000 millions.

The point will soon be reached where there will be as many estimates as plants.

Lease Lend Proposal May Affect Canada

Just how President Roosevelt's lease lend plan is likely to affect Canadian industry working on war orders is causing considerable speculation among Canadian economists.

While a few think it will have no effect, these are decidedly in the minority. Others believe it may have some effect, but want to get further details before expressing any opinion as to what or how great this will be.

The principle of the plan appears to be that goods supplied by the United States to the democratic countries do not have to be paid for now in cash.

On the other hand, anything Britain buys in Canada must be paid for in cash.

Borrow or Buy?

A number of prominent economists and government officials with whom The Financial Post discussed the matter were of the opinion that Great Britain could hardly be expected to buy in Canada and pay for goods which she could get just as handily in the United States on loan or lease without having to put up any money. Purchases in Canada required the funds to be raised by selling securities or some similar action. But no money will be necessary under the Roosevelt plan.

This, it was felt, would not necessarily mean cancellation of any orders already placed or reduction of operations in plants already in operation or about to come into operation. But it could easily check further expansion, it is believed.

Two factors which were noted as likely on the other hand to keep the British placing orders in Canada were:

1. Canada is now much ahead of the United States in some ways, such as the production of shells, small arms ammunition, machine guns, etc., and Britain wants the goods now.

2. The United States programme is running behind. Bottlenecks in the machine tool industry and trades will limit production for some time and if Washington wants to build up American armaments it may not be able to do so very much for Great Britain.

One economic authority said he was not very keen anyway on building up a huge tank or airplane engine industry in Canada as such developments would be of doubtful value after the war.

Little Effect

Another high official saw the plan having practically no effect on Canadian industry. With a long, bloody struggle ahead, everything Canada and the United States can produce will be wanted before the war is over, he said, adding: "If the United States goes ahead building up her own armaments she will not be able

(Continued on page 2, col. 3)

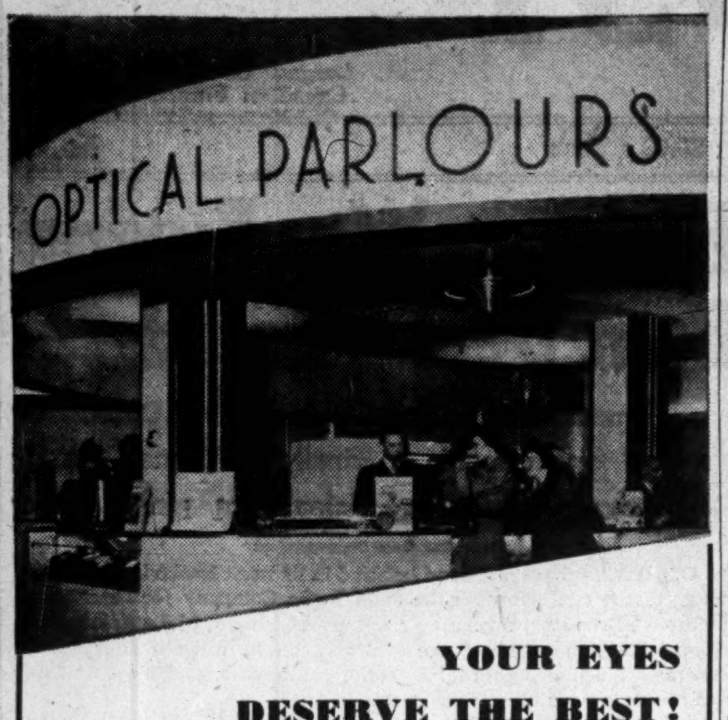
Make Sure You See—

McEachern Meets World Intrigue
Chile—Fights Both—p. 11.

U. S. Apostles of Appeasement
Hitler's Unpaid U. S. Allies—p. 11.

Nickel's Effort on the War Front
Nickel Output at War Peak—p. 19.

Music Blackout for Canada?
American Radio Music—p. 20.



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B. C. to Protest Freight Increase

Rails Would Boost Rate Following Elimination of Water Competition

From Our Own Correspondent

VANCOUVER.—Proposed increase in freight rates on westbound goods scheduled for Feb. 1, will be protested at Ottawa, presumably by Premier Pattullo, according to a statement released by Hon. W. J. Asselstine, Minister of Trade and Industry, following discussions with British Columbia officials of the Canadian Manufacturers' Association.

It is claimed on the coast that the rate increase, especially one of $4 a ton on iron and steel, would add to shipbuilding costs and handicap this British Columbian war industry

Notice of the proposed increase was given on Dec. 5, 1940. To date no individual or organization in British Columbia has filed a claim before the Board of Railway Transport, claiming that the new rates create unfair discrimination or the like.

Meet Water Competition

The westbound rates to British Columbia have always been governed by Panama Canal water competitive rates. Competition is just about nil and the abnormally low rail rates are now being adjusted in the light of this changed situation. One of the major changes, admittedly, is in iron and steel products, but rail companies say these commodities were formerly carried at largely unremunerative rates to meet this type of competition.

Also worth noting is that some of these heavy goods rates were formerly unusually low to meet competition of foreign goods such as French and Belgium steel goods which went all the way to the Pacific Coast by water. This, of course, is no longer a factor.

This is not the first rate increase of this type tied to the water competition angle. The railways issued a list of increases on May 1 last, largely based on the same general factors. The railways claim all they are doing is putting the rates on a more equitable basis in the light of straight transcontinental rail operating conditions.

One factor which has not been brought out on the new westbound schedule of freight rates, is that the supplement carries a number of decreases, as well as increases.

C.M.A. Seeks to Avoid Railway Car Shortage

To ensure existing railway equipment being utilized to the best advantage during the war the Canadian Manufacturers' Association has circularized its members to see that:

Orders for freight cars are handled promptly by the railways.

Cars are loaded promptly and as heavily as circumstances permit.

Cars are promptly unloaded by consignees.

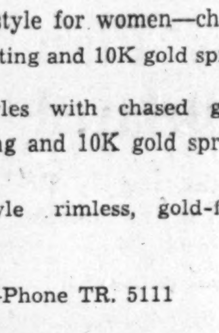
Empty cars are promptly removed by the railway companies.

Shippers to the United States are also requested to urge the railways and their consignees to expedite return of the cars to Canada.

It is thus hoped to prevent a shortage of cars developing such as occurred in the last war.

Goodyear Tire Names Advertising Manager

Goodyear Tire & Rubber Co. of Canada, New Toronto, announces that Sidney R. Skelton has been appointed to the position of advertising manager. Mr. Skelton has been acting in this capacity for the past year and the appointment is now made permanent.



S. R. SKELTON

Mr. Skelton came to Goodyear from the J. J. Gibbons advertising agency in Toronto. He left this organization to join Goodyear about five years ago and was at first in charge of the company's house magazine. In this capacity he travelled across Canada visiting the company's various agencies and offices, and gained insight into merchandising, sales and advertising problems found in the rubber industry.

Mr. Skelton now lives in Mimico. He was born in Toronto and educated in Long Branch, Ont., schools. A member of the Association of Canadian Advertisers, he has also been active in the Advertising and Sales Club of Toronto.

Ontario Hydro Hits New Peak

December Peak Load Established New Records With 5.6% Gain in Primary

Monthly summary of load for the Hydro-Electric Power Commission of Ontario shows that December primary peak demand was up 5.6% from the corresponding month a year ago. When combined primary and secondary peak is considered the gain was 2.9%.

Secondary power is only being sold in any substantial amount in the Niagara and northern Ontario systems; none is being sold by the eastern Ontario or Georgian Bay systems.

Each month since Oct., 1938, the peak load figures for Ontario Hydro have shown increases over the corresponding month a year earlier, thus maintaining unbroken a record of 27 months continuous gains. The Dec., 1940, figures established a new all-time peak for Hydro load, with a gain of about 60,000 h.p. over the previous peak established in Dec., 1939.

Maximum 20-Minute Peak H.P.

System	Dec. 1940	Dec. 1939	Increase %
Primary Loads			
Niagara	1,367,828	1,313,003	+ 4.2
Eastern Ont. ..	153,164	145,542	+ 5.2
Georgian Bay .	47,118	37,642	+25.2
Thunder Bay .	91,488	85,328	+ 7.2
Northern Ont..	204,889	183,956	+11.4
Total of all systems	1,864,487	1,765,471	+ 5.6
Primary and Secondary Loads:			
Niagara	1,579,088	1,508,177	+ 4.7
Eastern Ont. ..	153,164	155,214	— 1.3
Georgian Bay .	47,118	38,145	+23.5
Thunder Bay .	92,641	122,413	—24.3
Northern Ont..	248,589	236,235	+ 5.2
Total of all systems	2,120,600	2,060,184	+ 2.9

The Nation's Business

(Continued from page 1)

fense buying organization that was a vast improvement upon former muddling and political favoritism, even if it was far from perfect.

* * *

So finally, after two and a half years of vituperation of those who dared to be critical when the facts called for criticism, two things have happened:

1. The "finest contract ever" has been torn up, as it should have been torn up when the facts were originally brought to the attention of the Prime Minister.
2. The whole system of defense purchasing has been rebuilt on much more solid and more businesslike foundations.

In the long run these results count.

* * *

Good Example Is Needed

Governments "cannot expect the citizen to economize to a greater degree than they are prepared to exercise themselves." These were pungent words uttered by John R. Lamb, president of the Bank of Toronto, at his institution's annual meeting.

This is a particularly good time for governments to effect economies—a time such as "may never come again," Mr. Lamb indicated. With a shortage of labor looming, many men in government offices will be attracted by higher wages in business and industry.

"Savings," said Mr. Lamb, "would not only be a real wartime service, but would be of inestimable benefit when we face the inevitable and difficult readjustment period following the end of the war."

* * *

A similar note was sounded by a French-speaking Canadian banking leader, Charles A. Roy, of the Provincial Bank of Canada. He urged economy by all, whether in the management of public affairs or of private affairs. Sacrifices have to be made by all and it is only natural to assume that the taxpayers will expect all governments to eliminate waste and postpone all expenditures other than those of an urgent nature.

"Such a policy would go a long way toward inducing the people to lend full measure of co-operation by saving to pay their taxes promptly, and even to change their mode of living, to save more money to buy War Loan Bonds and War Savings Certificates."

* * *

Mr. Gardiner Builds Some Fences

It is now clear that the public accounts committee of the House of Commons is to investigate the references in the Auditor General's report to the purchase by Hon. J. G. Gardiner of fence posts. The purchases were made prior to the last election. Some 494,000 posts were purchased and paid for according to the Auditor General, but only 188,600 had been delivered as at March 31, 1940.

One point to be explained about this transaction is why more posts were paid for than delivered. But this is a purely arithmetical problem. There is another problem too. Every farmer's boy knows that fence posts are placed at 12-foot intervals. This means that sufficient posts were bought to erect a fence 1,124 miles in length, almost as far as from Toronto to Winnipeg.

The committee should seek to discover why so much fencing was required for a single year's operations.

* * *

Give One Man Power of Decision

The Whaley Eaton Service reports that there is no great enthusiasm, particularly in industrial circles, for the new defense organization in the United States, namely, the Office of Production Management (OPM). Much of the opposition boils down to the fact that authority has not been vested in one man and there is thus lacking the power of decision.

It seems likely that this power of final decision will ultimately have to be invested in William S. Knudsen.

In Canada, too, we shall ultimately get around to putting the problem of war supply into the hands of one experienced industrialist in order to avoid the present overlapping and confusion in authority.

Ottawa Fears Major Headache Looming in Farm Unrest

From Our Own Correspondent

OTTAWA.—Symptom of the prevailing unrest in agriculture, the discussions at London last week between Ontario farmers and Hon. J. G. Gardiner, Minister of Agriculture, struck Ottawa as a chill wind. They presage a stormy session in Parliament, with ever-growing pressure against the economic structure built up by the financial experts of the Government since the outbreak of war.

Basically the farmers asked that the prices of farm products be fixed on precisely the same level as wages, with a ceiling fixed on the average of 1926-29. This demand, if granted, would mean the cost of living would be forced up and further increases in wages would be inevitable.

For example, to fix wheat prices on such a basis would involve an additional Dominion subsidy of around 60 cents per bushel on over 500 million bushels of wheat. Yet the farmers now have their slogan and undoubtedly it will rally support. There can't be one law for city folks and another for farmers, it is argued.

Price or Subsidy

There was nothing disloyal about the attitude of the farmers. They do not want Ottawa to try and hold up the British Government. If Britain cannot pay a fair price for Canadian foodstuffs, then they believe that the taxpayers of this country should make up the difference between what Britain can pay and what the farmers should get.

Mr. Gardiner did not go to the conference entirely unarmed. He had equipped himself with authority from the Cabinet to promise a minimum price for butter next summer when big production begins and he also indicated that the Government would pay a bonus for cheese and thus enable Canada to fill the order for 112 million pounds placed by Britain.

It is difficult to anticipate what these announcements will cost the treasury. The minimum price for butter undoubtedly will be fixed at a point which will not cripple cheese production and, in any event, it will be a direct charge upon consumers.

Present Position

The British will pay 14.4 cents per pound for cheese at Montreal. Right now the Dominion pays a bonus of 2 cents for the best grade of cheese and 1 cent for the second grade. This bonus cost the treasury $1,050,000 last year and it will cost at least as much this year.

The average effect of the bonus on all cheese production last year was to raise the price by four fifths of a cent per lb. The British price, plus the bonus, will raise the price of cheese to the producers next summer to 16.4 cents per lb. for top grade and 15.4 cents for second grade. On average it would be just over 15 cents per pound.

The amount of the additional cheese bonus to be paid has not been announced. It is expected, however, that it will bring the price of cheese, on average, into line with the pegged price for butter. As butter should be worth just twice as much as cheese, this would indicate an additional bonus of around 2 cents per lb. This would also indicate that the Government will put a floor under butter prices very close to the existing maximum—perhaps around 32 cents per lb. Butter prices last summer were between 21 and 23 cents per lb.

Lease Lend Plan Hits Industry

(Continued from page 1)

to do very much for anybody else for quite a while."

In general the opinion seemed to be that the plan would be felt mostly in industries in Canada which have not yet got into full production.

American View

Another angle is presented by Whaley Eaton Service, Washington, which asks the question: "Will Britain continue to place orders in Canada if she can obtain the equivalent goods on loan from the United States?"

Whaley Eaton answers that it learns that a condition precedent to the loans will be that Britain is making an all out production effort inside the Empire. All possible production of the English-speaking peoples will be required, it is suggested, to meet the emergencies.

Army Auto Servicing Courses Provided

Training for Canadian troops in the maintenance and operation of military motor vehicles is being provided by Ford Motor Co. of Canada at its Windsor plant. Expert instruction for groups of officers and men, through two-weeks courses at the company's service school, was inaugurated early this month.

The first group included men from eight different branches of army service, drawn from centres as widely separated as Camp Sussex, N.B., and Calgary. Provided at no cost to the Government, the courses include classroom lectures and demonstrations and actual practice in driving and maintenance work.

On completion of the course, known as the Department of National Defense instructors training programme, the men are assigned to various army training centres as instructors.

Montreal Area Power Sales Up

From Our Own Correspondent

MONTREAL. — Electricity consumption in the Montreal area in 1940 rose to new high record levels, due chiefly to wartime industrial activity, according to a statement released by John S. Norris, president of the Montreal Light Heat and Power Cons.

Electricity output, exclusive of secondary power, totalled 1,349,543,365 kw.h. in 1940, compared with 1,213,026,800 kw.h. the year before, an increase of 11.25%.

December Gain 9.16%

December production at 131,387,110 kw.h. showed an increase over the like month of 1939 of 9.16%.

The December comparison was particularly noteworthy, Mr. Norris points out, in view of the measures taken to conserve power reserves this year, such as continuance of Daylight Saving Time, and in view of the fact that industrial activity at the end of 1939 was at a relatively high level.

Gas Output Higher

Gas production by the company in 1940 will not be reflected in net purchasing power in the community. Output amounted to 4,994,458,000 cu. ft., an increase of 2.56% over 1939.

December production of gas at 420,037,000 cu. ft. represented a gain of 0.46% over Dec., 1939.

Pay More in Taxes

This increase in company sales in 1940 will not be reflected in net earnings, Mr. Norris adds, because higher taxes levied upon the company, chiefly by the Federal Government to help pay costs of the war, together with advances in costs of some raw materials, have more than offset the improvement in gross revenue.

Taxes of the company in 1940 amounted to nearly $6 millions, or over 20 cents on each dollar of gross revenue.

Quebec Planning To Float Loan

From Our Own Correspondent

MONTREAL.—Province of Quebec will be in the market in the near future with a loan expected to run into several millions. There have been various rumors, such as the province would raise $15 millions through 15-year 4% securities, but nothing definite has been decided as to either the size of the issue or the rate of interest. The only definite statement that can be made at this juncture is that the province will be in the market soon.

Paper Mills Set Record in Volume

(Continued from page 1)

the industry from the point of view of volume of output and shipments.

Gain of 550,000 Tons

Actual production last year was 3,418,803 tons. This was about 550,000 tons more than in 1939 and 229,000 tons less than in 1937. Shipments showed an equally marked growth in the past 12 months and, on the basis of actual consumption, probably reflected the greatest demand ever made on Canadian mills.

Canadian Newsprint Returns

	Output	Shipments
	Tons	
1940	3,418,803	3,435,934
1939	2,869,286	2,861,202
1938	2,624,580	2,515,996
1937	3,647,800	3,654,669
1936	3,209,016	3,247,954

Market Gains Wide

There are two features to the demand for newsprint from this country in the past year. Sales to the United States increased by 400,000, while those to overseas countries, particularly to South America, advanced by 180,000 tons. Domestic sales at 183,894 tons were down over 5,000 tons from 1939.

Canadian Newsprint Sales

	Canada	U.S.	Overseas
	Tons		
1940	183,894	2,594,452	657,588
1939	189,482	2,194,126	477,594
1938	159,197	1,881,020	475,779
1937	219,553	2,909,360	525,756
1936	194,240	2,434,585	619,129

Newfoundland Active

Newfoundland's two mills did even better than the Canadian mills in 1940, establishing an all-time record for production and being only 6,000 tons short of a new mark for shipments.

Output on the Island last year was 352,585 tons, with shipments aggregating 369,143 tons; in other words, there was a draw-down of around 17,000 tons from the carryover of the previous year. These returns were well in excess of the previous year, when production totalled 308,041 tons and shipments 278,392 tons.

U. S. Mills

During 1940, and for the first time since 1932, American mills produced a million tons of newsprint. Actual production was 1,013,437 tons, or about 7,000 tons more than in 1932.

In respect to mill stocks, North American mills ended up the past year in better shape than they have been for some time. Aggregate of stocks in all three countries was 225,660 tons.

Newsprint Stocks on Hand
(As at Dec. 31)

	1940	1939
	Tons	
Canadian mills	152,371	169,502
U. S. mills	13,455	12,952
Nfld. mills	59,834	76,392
Total mills	225,660	258,846
Publishers*	532,648	440,154

* As at Nov. 30.

Joy Oil Loses Case Against McColl Oil

From Our Own Correspondent

MONTREAL.—Legal action taken by the Joy Oil Co. against McColl-Frontenac Oil Co., for $49,032, has been dismissed by the Quebec Superior Court.

The plaintiff alleged that when it started operations in Montreal in 1934, it was the victim of intrigues, tricks and persecution

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Issued	Sold to	Rate	Due	Amount	Price	Yield
Gloucester Township	Jan...	Bank of Toronto	3% 3½% 4%	5-yr. 9-yr. 11-yr.	$17,245 11,738 7,223	100.67	3¼%
Hamilton, Ont. (Treasury Bills)	Jan...	Harrison & Co.	...	June 2, '41	250,000	99.419	1.30%
Kemptville, Ont.	Jan...	Harris, MacKeen Goss & Co.	3½%	1941-50	7,000	100.79	3.40%

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Bond Issues—	Date Issued	Offered by	Rate	Due	Amount	Price	Yield
Federal Foundries & Steel Co.......	Jan...	Harrison & Co.	5½%	1950	$500,000	98	5.75%
Stock Issues:							
Bell Telephone Co.	Jan...	Dominion Securities Corp. and Syndicate..	...	...	*30,000 shs.	158.50	5.05%
Bathurst Power & Paper	Jan...	Nesbitt, Thomson & Co.	...	"A"	*21,000 shs.	.....	.....

* These shares were formerly owned by British investors.

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Sirois Report's Fate in Doubt

(Continued from page 1)

being by the adamant opposition of the Premiers of Ontario, Alberta and B. C., the guarded neutrality of Quebec, and the opposition (though qualified) of Nova Scotia.

Stand of Provinces

Led by the vigorous appeal of Premier Bracken of Manitoba, the Dominion's desire for adoption of the Report was supported, with reservations in some cases, by Manitoba, Saskatchewan, New Brunswick and Prince Edward Island. Premier Macmillan of Nova Scotia said he was ready to discuss the Report and try to reach agreement on some points, but declared himself flatly against any general adoption of the proposals.

Premier Godbout of Quebec did not even suggest agreement on some points, but said he had an open mind and was willing to discuss the whole problem fully. He hinted, however, that any wartime emergency problems should be dealt with on an emergency basis and not by any permanent adjustment that might lead to sacrifice of provincial rights and autonomy.

The line-up thus was the Dominion and four provinces favorable, one province (N. S.) opposed but ready to talk business, three provinces flatly opposed and one province non-committal.

King's Stand

The conference got away to a splendid start, with Prime Minister King seeking to hold the discussion on the highest level. He pleaded for action on the Report on the ground that it was necessary to the war effort, to the most efficient handling of postwar problems, to national unity.

Mr. Hepburn's speech reached a peak of denunciation when he voiced suspicion of the Report as "a well-cooked, nefarious deal to make good the losses in depreciation of certain bonds held largely by financial houses." He protested about "fiddling while London burns." He dragged in racial and religious issues, labored again his original criticisms of the way in which the commission was appointed.

His speech was regarded here as an astonishing performance, grotesque in the setting of a great constitutional conference called to revise the work of the Fathers of Confederation.

Pattullo Stern

Mr. Pattullo was equally stern in his opposition, but maintained the amenities of debate. He made no implied charges of corruption and crookedness, nor did he throw out inferences that Mr. King or the Dominion Government was playing the role of a modern Nero.

Premier Godbout of Quebec was firm but very pleasant and helpful. His speech reflected all the good manners of his race.

Mr. Aberhart's oration was a kind of gem—the kind with a deceptive glitter. Many of those present had never before heard the head of the Prophetic Bible Class in action and were enraptured. Others who were familiar with Mr. Aberhart's platform manner suddenly realized how much they had been missing. Mr. Aberhart worked his opposition to the Report into a joyous chain of wisecracks and funny stories.

There was the story of the lady on the occasion of her first operation. There was a coy reference to Mr. Aberhart's deep conviction against second marriages. Madame Canada and her unruly kids skipped and frolicked throughout the piece. But there were solemn moments, too, when Mr. Aberhart referred to the sacred hearths of the people and to our fighting heroes. The wind-up, inevitably, was that the Report would settle nothing, that Social Credit was the medicine this country needs.

Bracken Plea

On the other hand, Premier Bracken made the ablest plea for the adoption of the Report, easily the ablest speech of the Conference. Possibly the only moment of real eloquence in the whole proceedings was when Mr. Bracken evoked the spirits of the Fathers of Confederation, and called upon Mr. King and Mr. Hepburn to follow the lead of Sir John A. Macdonald and George Brown, the two inveterate foes that clasped hands over the pact of Confederation.

Mr. Patterson of Saskatchewan was also adequate. But otherwise the speeches will make woeful reading indeed when incorporated, as history will incorporate them, in reports of the outcome of Confederation.

Effect on War Effort

Prime Minister King told the delegates to the conference that the war effort would be prejudiced if growing stresses and strains in intergovernmental relations were not relieved.

In the opinion of the Dominion, recommendations of the Sirois Report are necessary to achieve the maximum war effort and lay a sound foundation for postwar reconstruction, Mr. King declared.

The Prime Minister left the door open to modification of the report, saying that the scheme need not be accepted or rejected as a whole. In fact, he admitted that modification, particularly in respect to the national adjustment grants, may prove desirable on the basis of later data.

War has increased competition between the Dominion and Provincial Governments for revenue and financing, Mr. King related. It has aggravated the overlapping, cumbersome and discriminatory character of much of the tax structure.

Hepburn Truculent

Mr. Hepburn's blasting of the report, while not unexpected, precluded any slim possibility that he might approve the scheme in part or with extensive modifications. He said:

"This is a peacetime document and we believe honestly and sincerely that the time to discuss it is not now, but when the menace to our democracy, Christianity and freedom is removed by the complete defeat and even annihilation of the ruthless axis powers."

Mr. Hepburn decried "propaganda" in reports and articles on the Sirois Report, and singled out the financial press for "propagandist" activities:

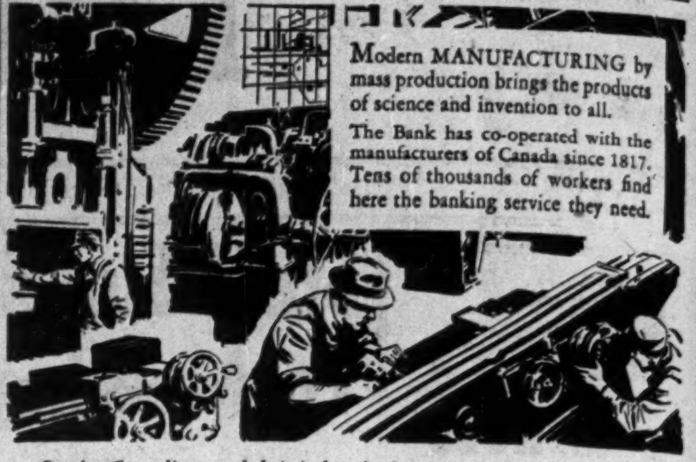
"Here I avail myself of the opportunity of warning the purely financial press and others that they have overplayed their hands by attempting to cloak this Report with the garments of patriotism, and under the exigencies of war would do irreparable damage to both national unity and independence."

Aberhart Stand

Premier Aberhart charged that those pressing for implementation of the report were interested in preserving the present financial system. He declared that present difficulties were economic, not political and that the Sirois Report recommendations would not cure peacetime problems or aid in the war effort.

Hon J. B. McNair, Premier of New Brunswick, while objecting to certain of the recommendations, offered his co-operation in considering the report and finding a basis for action.

Premier Thane Campbell of Prince Edward Island rendered in essence a decision favorable to further consideration of the report, reserving right to reject certain features of the proposals as they applied to Prince Edward Island.



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Toronto Papers Underestimate Montrealers' Income Tax

From Our Own Correspondent

MONTREAL.—Residents of Montreal are no different from those in any other city in Canada; they do not like to pay taxes. But when Toronto's daily newspapers "go overboard" by saying that Toronto citizens pay more in income taxes than do Montrealers, the latter feel a correction is due.

Toronto newspapers have featured the new Quebec income tax, pointing out that the Torontonian pays more than the Montrealer. They point out the provincial levy on an income of $5,000 in Toronto is $46.13, compared with only $21.60 in Quebec. The Quebec levy for an $8,000 income is $73.71 compared with $109.78 in Ontario, and so on. When it comes to the high brackets it is said, "$500,000 Toronto income pays three times more tax than same in Montreal." In Toronto the provincial income tax levy would be $21,714 and in Quebec the maximum rate of $7,000.

All very interesting, but far from true! In all these calculations the Toronto daily papers have overlooked Montreal's municipal tax, which has no counterpart in Toronto. A married man with no dependents in Montreal, will, on his 1940 gross income of $5,000, pay $455 to the Dominion; $21.60 to the province and $91 to the city of Montreal, for a total of $567.60. On the same basis of income, a resident of Toronto would pay $455 to the Dominion and $46.13 to the province, for a total of $501.13.

Just $50,000 More

On up the list this difference continues in "favor" of the Montreal resident, until an income of $500,000 is reached. At that point the Montrealer would pay $67,000 to the province, as against $21,714 paid his fellow-sufferer in Toronto. But the Montrealer also would have to pay an income tax of $67,000 to the City of Montreal; a fact which the Toronto newspapers do not seem to know or appreciate.

Montrealers do not boast about it, but they also pay a municipal sales tax of 2% and a provincial sales tax of 2%, or 4% in all, on their purchases. They also have a water tax of 7% on assessed rental value of their homes, plus a surcharge. They pay another $5 as a "water tax" on their automobiles, and a license for their radio to the municipal authorities. But these are not income levies, they are just a part of the tax bill which Montrealers bear and for which they would like to get some credit from the Toronto newspapers.

Goldwood Property To Be Re-opened

New arrangements have been completed to have the property of Goldwood Gold Mines, southeast of Kenora, re-opened, according to L. Abraham, secretary of the company.

The upper three levels of the mine were re-sampled early last month and results were stated to be satisfactory. A crew is now preparing the mine for production and plans call for enlarging mill capacity from 50 to 100 tons daily.

Ore reserves available are estimated at 42,000 tons averaging $10.72 a ton, plus 15,000 to 20,000 tons of tailings which run about $5 a ton.

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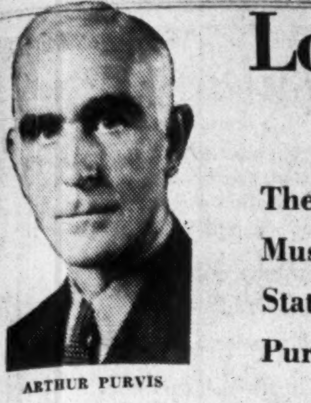

ARTHUR PURVIS

London Calling

by Atticus

The Year's Fateful Changes — Does Mussolini Yearn For His Pre-war Status? — A Tip for Halifax — Purvis, World's Champion Spender

LORD HALIFAX

LONDON.—I find by consulting my scrapbook that last year at this time the best my garden could boast was a slight hoar-frost. The year before it was inches deep in snow and the branches of my giant pear tree were clothed in garments of white like the young girls of Europe on Communion Sunday. But then two years ago Munich still cast its benevolent spell upon us despite the fact that its petals were beginning to fall.

By some inadvertence I find that last year I was praising Signor Mussolini for his statesmanship in staying out of the war. But if my compliments seem ill-timed now I imagine that Mussolini himself would be delighted to recover that coveted position of part-friend, part-blackmailer which he filled with such distinction for so long. Pursuing my study of 12 months ago I find that M. Stalin attained his sixtieth year and received a message of congratulation from his cher ami in Berlin.

What has happened this year? Did not M. Stalin reach 61 and, if that is so, why did not Hitler send him another message? It is all very strange and rouses the very deepest doubts of the fidelity of dictators. At any rate, my garden is innocent of snow so far this season, but there is a fair-sized hole in the lawn where an incendiary bomb came to rest. I find it an object of interest to myself, but so far my friends have surveyed it without the slightest quickening of the pulse. It would seem that other people's bombs are as unexciting as other people's children.

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A Tip for Halifax

The principal speaker at the lunch of the Anglo-Hellenic Society the other day was Lord Halifax, then still British Foreign Secretary, now Ambassador to the United States. He received an admiring welcome. I realize that Lord Halifax has been a controversial figure, but I am one of those who believe that British diplomacy in the war has been much more adroit than it has appeared to the untutored eye. In conference and in private conversation Lord Halifax is sagacious, firm, patient, and by no means lacking in humor. It is a pity that when he speaks in public he eschews the unexpectedness of private conversation and falls back on the safe, well-worn phrases of officialdom. His tribute to Greece should have inspired him to an eloquence that would have left us limp. It was an opportunity that ought to have appealed to him, with his love for the classics and his feeling for the centuries. This is an important matter. and will become more so in his new post at Washington. It is not enough for a British Ambassador to be a success behind the scenes in Washington; he must speak to the American people as well —and the Americans insist upon truth being clothed in emotion.

Viscount Simon once told me that just before delivering a broadcast in French from a Paris radio station, he was carefully coached by the Director-General. "In France," the Director said, "you must speak as if you are angry. Unless you seem angry the people will not understand why you bother to speak and will not listen." There is such sound wisdom in that. I would love to hear one of our Ministers get angry in public instead of delivering the same old clichés of which I put at the very top the bloodless "unprovoked aggression."

There was, however, one man at the luncheon who spoke with eloquence, scorn and enthusiasm. I refer to the Greek Minister in London, M. Simopoulos.

• • •

The Greek Ambassador

M. Simopoulos has had nearly 50 years of diplomatic service and it characterizes both his personality and his hearing. Even that unappreciated figure of English literature, Dr. Watson, would not mistake him for anything but a diplomat. He was due to retire in a short time, but the war has postponed that indefinitely. M. Simopoulos has never been a neutral in the war. Out of deference to the niceties of his profession he compromised at first by being a non-belligerent, which meant that he was indifferent as to the methods of Hitler's defeat providing that he was beaten.

When some of our amateur foreign secretaries told him that General Metaxas was pro-German he hotly denied it. When Greece entered the war, he was enthusiastic. "Now," he said, "I can express my feelings openly instead of merely showing them on my face." When he spoke last Wednesday about the Italians it was not as of chess counters being moved on a board but of cowardly villains out to despoil the sacred soil of his country. His wife had been in poor health for some time, but I am pleased to record that when the bombing of London started she improved remarkably. I am glad of that, for not only is she a charming and gifted woman but she is an excellent bridge player—and there are so few good bridge players left.

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A Champion Spender

I feel the benevolence of New Year's returning, and with it a desire to pay tribute to that remarkably successful spender of money, Mr. Arthur Purvis. No woman would be nonplussed by having unlimited money to spend, but to a man it is an acute embarrassment. Mr. Purvis was sent to New York shortly after the beginning of the war with instructions to spend all he could on airplanes and weapons of war. His success would be judged, not by his reticence, but by his munificence. On a single day last spring he signed a contract for airplanes amounting to £64,500,000, but he has done better than that since.

Fortunately for us, Mr. Purvis had a Scottish father, albeit a London mother, and he displayed a stubborn resolve to get full value for our money. "This man is tough," said the New Yorkers, but they liked him for his good humor, his humanity, and his immaculate appearance. All war expenditure has an element of the fantastic about it, but our spender-in-chief managed to keep it in some relation to normal standards.

It was only fitting that when he came here recently Lord McGowan should have given him a luncheon when practically everyone present was an important figure in the commercial or political life of the nation. Both the host and the principal guest were poor boys who made their way to eminence via Nobel's Explosives in Glasgow. In 1925 Mr. Purvis went to Montreal, that breeding ground of successful financiers, and had many interests there. He takes no salary as chairman of the British Purchasing Committee, and works at his task as if his future depended upon it. This bushy-eyed, 51-year-old businessman, with his cool head and engaging smile, learned his arithmetic at the Tottenham Grammar School, from which he emerged to become an office boy. Now the great ones of the land pay deference to his character and achievements. To add to his triumphs, he has now been made a Privy Councillor.

Who was it said that democracy is dead in Britain? How deplorable it is to possess a bad memory.

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Dosco Starts Work On New Power Plant

From Our Own Correspondent

MONTREAL.—Dominion Steel & Coal Corp. is installing a new 5,000 h.p. plant at Pictou County, N.S. Since it cannot be ready for another 12 months, because of delay in delivering electrical equipment, an old steam plant at the Eastern Car works is being rehabilitated. While the cost of energy from the rehabilitated plant is high, nevertheless it will help meet the temporary needs of war accelerated industries.

Plan Huge Calls on Manpower To Prosecute War This Year

OTTAWA. — With the announcement of the Government's policy for training workers for war industry, the dimensions of the labor shortage confronting Canada are exposed by the first real study of this problem.

The study and the policy are the work of the interdepartmental committee on labor, whose chairman is Dr. Bryce Stewart, deputy minister of labor.

Huge Requirements

The report of this interdepartmental committee bares the facts as follows:

Man power requirements for 1941-42 (March 31):

Army	80,000
Navy	5,400
Air Force	31,800
Total	117,200

These totals, incidentally, do not include the men called for training for home defense.

War industry will require an additional 76,500 men and industries ancillary to the war industries will need 100,000 men. Of the requirements of the fighting services, 20,750 skilled men will be needed but these will not necessarily be recruited from civilian life. There is to be training of service men.

Thus in this fiscal year 293,700 men will be taken out of civilian peacetime pursuits and added to the man power already engaged either in the fighting services or in war industry.

For war industry alone over 175,000 new workers will be needed.

The new government plan proposes to meet this demand in this way:

One hundred thousand persons are to be trained for industry in the year 1941 at a cost to the Government of approximately $5 millions. The purpose is to select these from the older age groups in the population.

An additional 100,000 young people will be leaving the secondary schools and the plan proposes to persuade as many of them as possible to enter war industry. The final plank in the plan is to encourage the training of women.

With respect to the first 100,000 the plan lays down complete detail of training. So far as the remainder and the women are concerned there is no hint as to how they are to obtain their preliminary training. The point is of importance because it may be presumed that all the training facilities which can be mustered will be required to handle the first group. It is possible, of course, that a substantial number of young people will receive some training which would aid them in entering war industry in their schools

It would appear from the detail so far made public that the utmost the Government's proposal can perform immediately is to train 100,000 persons.

Takes Time to Train

Thus the plan, while it will meet, in the main, the immediate needs of war industry, will not begin to meet the requirements of the ancillary industries. Nor, of course, can figures on skilled workers be taken in the mass.

The training plan proper falls into two divisions. Fifty thousand persons are to be trained in vocational schools and other training centres. The other 50,000 will be trained in industrial plant schools.

The use of vocational schools, of course, brings the provincial governments into the picture. Out of the total cost, some $600,000 will be paid by the provinces in providing these schools.

The entire plan will be under the direction of R. F. Thomson, the director of Youth Training and, in addition, he will personally supervise the training in these schools. A. W. Crawford of the Ontario Minimum Wage Board, has been loaned to Ottawa to help Mr. Thomson and, particularly, to supervise the industrial plant schools.

Pay for Training

It is proposed to pay trainees to attend schools.

Single persons attending the vocational schools will get $3 per week if they are living at home and give up other work, and $7 per week if they are away from home. Indeed, in special cases pay will go as high as $9 per week.

Heads of families will be paid $12 per week and the cost of travelling to and from the schools if necessary.

It is anticipated that the outlay on these wages will be $1,335,000 and $100,000 for travelling expenses. Training will be for six weeks to three months on an eight-hour day and a forty-hour week.

The plant schools will work on a different basis. Here payment will be on an hourly basis. For the first 30 days trainees will get 20 cents an hour; for the second, 25 cents; for the third, 35 cents; for additional periods, 35 cents. The trainees will work a 48-hour week. Where a graduate of a vocational school goes into a plant school for further training he will be paid 35 cents per hour.

Need 15,000 Schools

It is expected that 15,000 schools and training centres will be required. There are now 200 plant schools and the number will be increased as rapidly as possible. The whole plan will be unlimbered and put into action as quickly as the arrangements can be made. Naturally much more training equipment will be needed and an appeal is going out to manufacturers to turn over old machines and obsolete equipment to the schools. There is also a great shortage in instructors, but it is hoped that many skilled workers now in retirement will come back to teach others. Refresher courses will be arranged for them. The Government has also found that many skilled workers are engaged in other occupations, some of them unessential as far as the war is concerned. They will be asked to return to the machines and do their bit.

Dr. Stewart stated that there is an existing scarcity in chemists, coremakers, boiler makers, lathe operators, molders, patternmakers, iron ship builders, steel tool sharpeners, tinsmiths, toolmakers and draftsmen. He expects that during the year a good few skilled workers will be released from the construction industry because the air force and other training camps are now completed. There will also be a falling off in the garment trade since the emergency orders for the soldiers are now filled. To relieve the shortage of chemists the Government will move the chemists from the lipstick industry to war industry.

The Post Bag

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Savings Chart

A man we know has been keeping his own private chart of the progress of the War Savings Campaign. He is a regular payroll deduction buyer and he merely plots from month to month the serial numbers of the certificates he receives from Ottawa.

His campaign shows the campaign was slow in the summer, spurted in September and since October has been accelerating.

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In Memoriam

Many a hardened businessman found his eyes moist as he opened an envelope from the Canadian Pacific Railway Company last week and read the company's memorial brochure to the Empress of Britain, "lost in the Service of her country, Oct. 28, 1940."

The book records all the principal ports to which the Empress carried the name of Canada, and the names of some of its more eminent passengers (Their Majesties and prime ministers galore). There is a short life of the Empress, a record of its loss in action and tributes to the commander and crew.

With the copies there went a stateroom plan of the Empress.

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Canadian Art

In response to requests from leading Canadian art galleries, museums and educational institutions, the International Business Machines Company is sending gratis throughout Canada a loan exhibition of its entire collection of paintings representing the contemporary art of Canada, Newfoundland, United States and Mexico.

The exhibition comprises 63 pictures by representative artists from each province in Canada and Newfoundland, and from every state in the Union, its possessions and Mexico.

The exhibit was originally shown at the Golden Gate Exposition at San Francisco, where it was seen by more than 1,000,000 visitors.

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Haydn Uber Alles

Some excitement was aroused Sunday before last when the Ford Sunday Evening Hour closed with a hymn that sounded to many people suspiciously like "Deutschland Uber Alles."

Explanation seems to be that the hymn was Haydn's "To Be Living is Sublime." The tune later became the Austrian national anthem, then Germany's "Deutschland Uber Alles." But someone points out that it is also the tune of Columbia University's alma mater song.

• • •

Canada United

Canada's greatest present asset is unity, says Stephen Leacock in an article in Barron's. He adds:

> "All Canada is at war, except Camelien Houde, the Mayor of Montreal of 1940, who is in an internment camp. It appeared that he shared his views on compulsory military training, like a Scotch joke, only with himself."

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Facts of Life

If you are an adult weighing about 168 pounds, in 24 hours:

Your blood travels 168,000,000 miles; you perspire 1.43 pints; you speak 4,800 words; your nails grow .00046 inch. So says Lilliput, English magazine.

It has been worked out that finger prints may be duplicated once in 1,606,937,974,174,171, 729, 761, 809, 705 - 564,167,968,221,676,069,604,401,795,301 - 376 times! Or it might be put this way, that a particular finger print will be repeated in about 2,800 years!

Nfld. Body Suggests U. S. Trade Pact

St. John's Board of Trade suggests in a recent resolution that Newfoundland should take advantage of the United States establishment of defense bases on the island to obtain economic concessions.

The Board advocates negotiation of a reciprocal agreement, though no specific terms are suggested. An exchange of concessions between the two countries in respect to the 99-year lease for base sites should "produce results beneficial in a high degree to local economy," according to the resolution.

Your 1940
INCOME
TAX
RETURN
Should be
prepared Now

Taxes are sharply increased for the year 1940. You may have a rough idea of how much yours will be. You should know at the earliest possible date the exact amount you will have to pay. Payments on account of Federal taxes may be made commencing at once.

For a moderate fee we will prepare your income tax returns promptly and in the strictest confidence.

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Smith's Floral Shop

Smart Styling
plus
Dodge Dependability
AND LOW OPERATING COSTS!

LOOK AT THESE DODGE Job-Rated TRUCK FEATURES
- Increased Horsepower 89 h.p. at 3600 r.p.m.
- Synchro-Shift Transmission Smooth, fast, silent (½, ¾-1 Ton)
- Oil Bath Air Cleaner Saves on oil, lengthens engine life
- Precision-Type Engine Bearings Steel backed, easily replaceable
- Exhaust Valve Seat Inserts Prolong valve life, save regrinding
- By-Pass Thermostat Speeds engine warm-up, saves gas and oil
- Comfort Design Cabs Sealed and insulated—real driver comfort

BUY WAR SAVINGS CERTIFICATES

DODGE PANEL TRUCKS are *smartly styled* —abreast of modern trends in practical design. Their fine appearance is a good advertisement for any business. Dodge Panel bodies are longer and wider. The ½ ton body illustrated above has a capacity of 156.3 cubic feet.

Dodge Delivery Trucks are *economical.* Fuel consumption and maintenance costs are unusually low. Dodge Panel bodies are made with steel uprights and steel slats to take the punishment that delivery work calls for.

When you buy a Dodge Truck you get the benefit of all that Dodge has learned during 25 years in the truck business.

Dodge Trucks are truck-built in a truck factory. They are *dependable*—the result of Dodge *quality*, and Dodge precision workmanship.

The great new Dodge Trucks for 1941 are the best Dodge has ever produced. They meet 98% of all hauling needs. Your individual trucking requirements can be completely met with one of the 12 models of Dodge *Job-Rated* Trucks.

Your nearest Dodge dealer can give you complete details of the *right* truck to fit your job.

DODGE Job-Rated TRUCKS COVER 98% OF ALL HAULING NEEDS!

VITAL
TO EXPANDING PRODUCTION

Figures of control become essential even before the first shovelful of earth is turned.

As the project starts, time must be recorded, earnings calculated, payrolls prepared, and cost statistics kept. As the work progresses, other vital records affecting orders, materials, production and shipments become necessary.

There must be no delays—no clerical inaccuracies that waste precious minutes.

Industry has always relied upon Burroughs to meet expanding production and changing conditions with efficient machinery of control.

Today every type of accounting and statistical work is being handled on newer, more modern Burroughs machines in less time, with less effort, at less cost.

BURROUGHS ADDING MACHINE OF CANADA, LIMITED
Factory at Windsor, Ontario

Today's
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DOES THE WORK IN LESS TIME • WITH LESS EFFORT • AT LESS COST

Investment Trends

Economic Programme Sound, Says Banker

But Picture Drawn Hardly Encourages Speculative Enthusiasm, Tending Rather to Emphasize Cautious Policies

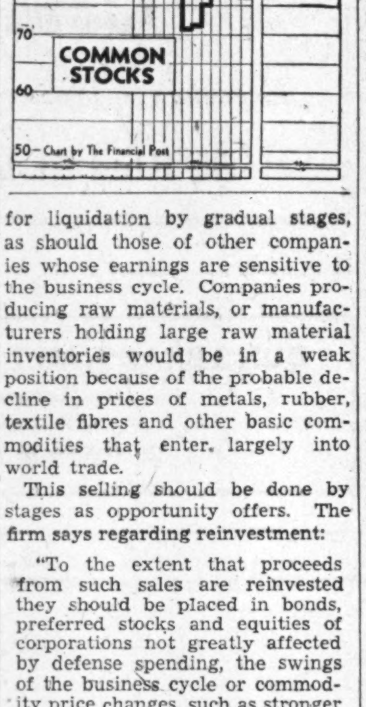
Bank presidents, in their annual addresses to shareholders this year, have been stressing the changes taking place in Canada's economy. They mention such facts as the probability of higher taxation, reduced consumer spending and perhaps a lower average standard of living for Canadians.

John R. Lamb, of the Bank of Toronto, for example, pointed out that wide employment in industry as a whole, with stable wages and prices, has maintained and even stimulated retail trade. Wage earners individually may spend less than formerly, but there has been a great increase in number of people employed. The government, he claims, restricts normal consumption by taxes, embargoes and other controls, thus diverting production to the war effort.

He concludes:

> "Necessity of governing ourselves accordingly must be apparent to any careful student of public affairs having in mind the eminently sound principles being applied in our economic programme, which seeks, as far as possible, to pay our way through taxes and savings and avoid inflation which always is disastrous and inflicts the heaviest penalties upon those least able to bear them."

* * *



Picture Lacks Enthusiasm

The whole picture drawn by Mr. Lamb and other bank presidents is not such as to encourage much speculative enthusiasm. It is rather one of a growing conception of the magnitude of the task before the country, a task which will permit ever smaller energies for our normal peacetime pursuits.

For the investor it suggests a rather stern outlook; not one that threatens loss of values or income, however, but rather that of an economy stabilized to the limit possible under the strains of war. It suggests that taxes are going to keep earnings gains to moderate proportions. But it does not suggest that profits are going to be eliminated.

It is further support for the theory that investors may remain somewhat aloof from stock markets for long periods, not impelled to liquidate present holdings but also not disposed to extend commitments with the idea of making capital profits. It also suggests that well-selected stocks in dividend paying companies should make desirable holdings from the income standpoint. It supports the theory widely held as 1941 opened that stock prices might show comparatively little change, tending rather to become fairly stable.

* * *

Wartime Policies

Prices of stocks in companies directly or indirectly affected by armament work in the United States will eventually reflect the larger profits of such concerns, in the opinion of Delafield and Delafield, New York investment counsel firm. In spite of tax increases, such stocks should form part of portfolios, even though recognizing that such stimulus is temporary. Completion of the present programme, however, means inevitable decline in volume of armament business in the U. S. and suggests that armament stocks should be sold well in advance of such a time.

This firm feels that diversified portfolios should have "a liberal proportion" of stock chosen from the following groups:

1. Corporations whose regular business is manufacture of aircraft, munitions and ships.
2. Companies producing raw materials and semi-manufactured products required by armament makers such as steel, copper and other metals.
3. Companies producing machinery required for making war materials such as machine tools, steel making machinery, etc.
4. Companies with plants readily convertible to making war materials, such as railroad equipment and other machinery manufacturers.
5. Makers of supplies required in large volume by armed forces such as woollens, aviation gasoline, etc.
6. Businesses stimulated by higher activities in the above groups, such as industrial railroads.

* * *

Early Stages Best

"The important point to remember is that such issues," in the opinion of Delafield & Delafield, "should be acquired in the earlier phases of the armament programme, and should be disposed of in large measure by the time that programme approaches its culmination."

It is vital, the firm holds, to time liquidation properly, particularly in the case of the United States where earnings may decline sharply. The armament programme of the United States is expected to reach its peak by June, 1942, but a liquidation programme should be well advanced before then and should be begun this year.

Stocks in the six categories mentioned above should be earmarked for liquidation by gradual stages, as should those of other companies whose earnings are sensitive to the business cycle. Companies producing raw materials, or manufacturers holding large raw material inventories would be in a weak position because of the probable decline in prices of metals, rubber, textile fibres and other basic commodities that enter largely into world trade.

This selling should be done by stages as opportunity offers. The firm says regarding reinvestment:

> "To the extent that proceeds from such sales are reinvested they should be placed in bonds, preferred stocks and equities of corporations not greatly affected by defense spending, the swings of the business cycle or commodity price changes, such as stronger public utility, food manufacturing and tobacco stocks. Such commitments would be preferred because they would provide income, with relative protection for principal, pending the completion of the painful readjustment in this country, and in the world at large, back to a peacetime economy."

Market Opinions

No sign of change from the policy caution is evident yet in comment from stock market students.

* * *

Magazine of Wall Street, N.Y.—Until news events relating to the war produce some new surge of investment hope or fear, decisive change in the stock market pattern seems unlikely. We do not advise purchases for appreciation at present.

* * *

Financial World, N.Y.—Until some of the uncertainties beclouding the intermediate term outlook are removed, it seems advisable to maintain a policy of adhering largely to commitments in income producing securities offering returns which are adequately protected by current and prospective earnings, allowing for the many new factors which tend to increase or curtail corporate net income.

* * *

Brookmire Counselor, N.Y.—Shocks from abroad may have to be contended with; but the accelerating tempo of the defense programme warrants clients in continuing to favor stocks that combine basic soundness with dynamic qualities.

* * *

Barron's, N.Y. (The Dow Theorist)—After discussing the fact that certain crucial points for followers of the Dow theory are close to present levels of the averages, it is concluded that "meanwhile, however, the odds seem to be against purchases at present levels just under a previous resistance point."

U. S. Loblaw Co. Add 10 Stores

Loblaw Groceterias, Inc., is now operating 117 stores in the United States, compared with 107 at Mar. 2, 1940, close of the last fiscal year, The Financial Post learns. The new units are of good size, operating five cash registers in each. A new store of the most modern type has just been opened at Rochester, N.Y., and several more units are scheduled for the next few months.

INVESTMENT
SECURITIES

NESBITT, THOMSON
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Branches in the principal cities of Canada

MONTREAL TRUST DIRECTORS

Montreal Trust Co. announces the election to its board of directors of Sydney G. Dobson, general manager of the Royal Bank of Canada (right); Arthur Cross, president of Dominion Steel and Coal Corp. (centre); and Henry R. Cockfield, managing director of Cockfield, Brown & Co. All three new members are Montrealers.

Bathurst Stock Put on Market

Block of Repatriated Shares From United Kingdom Offered

From Our Own Correspondent

MONTREAL. — Nesbitt, Thomson & Co. is now making a distribution of a block of Bathurst Power & Paper Co. Class "A" stock at around market levels. This stock, which is said to amount to about 21,000 shares, is part of the Canadian securities repatriated from England a short time ago.

Bathurst operates a pulp and paper mill at Bathurst, N.B., with a daily capacity of 130 tons of kraft linerboard, 60 tons of cylinderboard, 70 tons of newsprint, and 80 tons of sulphite pulp. Power is obtained from a company-owned hydro-electric plant of 15,000 h.p. and from a supplementary steam power plant at the mill. The company holds extensive timber limits in New Brunswick and Quebec.

Position is Bettered

In connection with the current stock distribution, it is stated that net assets of Bathurst as at Nov. 30 were over $2.8 millions, of which cash and government bonds were close to $750,000. This was equivalent to more than $7 per Class "A" share. At the end of 1939, Bathurst reported net current assets of $2,483,448, so that there was a net improvement in the 11 months period of over $300,000.

Earnings of the company for the 11 months ended Nov. 30, 1940, after deducting all charges including depreciation and depletion, but before income and excess profits taxes, amounted to $1,177,809. It is understood that after making maximum allowance for all income and excess profits taxes, the company earned around $500,000 during the period, equivalent to $1.25 a share on the Class "A" stock. At the same time it is expected that special concessions will be made by the Board of Referees, which will permit the company to show larger earnings than indicated on this minimum basis.

Canadian Car War Case Ends

Receives $6 Millions Cheque; Net Undetermined

From Our Own Correspondent

MONTREAL.—Agency of Canadian Car and Foundry Co. Ltd., of New York, subsidiary of Canadian Car and Foundry Co., has received a cheque for approximately $6 millions in settlement of claims arising out of the Black Tom and Kingsland sabotage explosion in 1917.

The United States Supreme Court ruled favorably on the company's claim, and a principal amount of just short of $6 millions was awarded, together with accrued interest to date of payment. However, funds available to the German-American Mixed Claims Commission, it is understood, permit only payment of the principal amount.

The annual financial statement of Canadian Car and Foundry Co., issued this week, naturally does not indicate the net amount which was received. It is generally understood that legal fees and expenses will absorb a large proportion of the award, probably half of the total. There is no official knowledge on this point, and until the statement is issued by the company, it must remain in doubt. However, it is not expected that Canadian Car will take into its own account much over $3 millions net. This amount should work out at approximately $10.50 per preferred share, which dividend arrears currently amount to slightly more than $9.50 a share.

Covers War Business

In his annual report to the shareholders, Victor M. Drury, president, outlines the trend of operations. The Fort William shops, which are working on contracts from the British Government for first line aircraft, are five months ahead of schedule. A further large order was received from the same source in July.

Shipments under order for aircraft secured through Canadian Associated Aircraft Ltd., are ahead of schedule and the size of the original order has been considerably increased.

Further contracts for aircraft have been received from the Canadian Government.

Contracts have also been received by the company for shells of large calibre, all of the work being done in Montreal. In addition, a new type of order has also been received from the Canadian Government for 2,500 airplane propellers, which will be filled in the Montreal shops.

Mexican Unit Progresses

Reorganization of the Mexican Government aircraft plant at Mexico City by Canadian Car & Foundry Co. is indicated by the announcement that the Merican Government has authorized payment for bombers and pursuit planes already made and further orders have been placed. Canadian Car operates the plant on a management fee basis.

The company entered into an agreement with the Government to take over the plant more than a year

Zellers Sales Show Wide Gain

From Our Own Correspondent

MONTREAL. — Zellers Ltd., variety-chain store operators, report sales in December of $1,352,078. This contrasts with $1,171,047 for the same month a year ago, an increase of 15.46%.

For the 11 months ended December 31 of the current fiscal year, Zellers sales aggregated $7,359,662. This represents an increase of 27.03% over the corresponding period of the previous year, when sales totalled $5,793,680.

Dom. Bridge Sales Up 121%

War Construction Brings 24-hour Operations to Company

From Our Own Correspondent

MONTREAL.—Volume of Dominion Bridge Co. business in the year ended Oct. 31, 1940, showed an increase of 121% over the previous year, exclusive of orders for shells and cartridge cases, the company's annual financial statements reveal.

The company was called upon to supply a very large tonnage of structural steel and plate works of all kinds for plants being erected for the production of munitions, shortly after the turn of the year, according to W. F, Angus, president.

The orders for this purpose were for speedy delivery and the company's facilities were placed on a 24-hour basis.

Output Near Peak

Total output of all plants during the year was 106,300 tons, the largest output of recent years. In addition to regular business the company received orders for marine boilers, cartridge cases, shells and a variety of other products.

Expenditure on capital account totalled $345,000 during the year, a large proportion of which was made to meet the greatly increased demand resulting from war. Depreciation allowance was increased because of a special rate granted on equipment purchased to carry out war orders.

Half a Century of Dividends

Since 1890, The Bell Telephone Company of Canada has paid dividends at the current annual rate of 8% with the exception of only six years in which the dividend was 6% to 7½%.

The Bell Telephone Company of Canada
Common Shares
Price: $158.50, yielding over 5.04%

These shares were owned by British investors and the funds resulting from their sale in Canada will all be spent in Canada by the British Government for much needed war supplies.

The Company is one of the most efficiently managed and uniformally profitable companies in Canada.

Write for circular.

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Wood, Gundy & Company
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Investment Notes

Seiberling Rubber—R. J. Thomas, president, tells The Financial Post that the company's plants are operating seven days a week and will probably continue at this level for some time to come, largely on Government orders. Steps are being taken to forestall any possible interruption in raw material supplies and inventories were reported at $510,001 at Oct. 31, 1940, against $353,384 a year earlier.

* * *

S.E.C. summary of November security transactions includes the following of Canadian interest:

Canada Dry—P. D. Saylor. director, decreased holdings 1,100 shares to 8,200. E. W. Stetson, director, acquired 100 shares, holding that amount.

Robert Gair Co.— G. W. Brown, director, sold 1,500 common shares, leaving 455, and acquired 250 $3 preferred, holding that amount. G. E. Dyke, officer and director, holds 100 common and increased $3 preferred by 100 to 1,500. N. F. Greenway, officer and director, bought 100 $3 preferred, holding 1,200.

Hudson Bay Mining—C. V. Whitney, officer and director, holds 188,294 shares directly, 18,467 through Whitney Realty Co., 700 through Beaconsfield Corp., and decreased 1,900 to 125,000 through C. V. Whitney Trust (proportionate interest not shown).

Howe Sound—E. B. Schley, director, sold 100 shares, holding 22,288.

International Mining—W. B. Baggaley, director, decfeased 500 to 1,000 and through Warwick Corp. decreasd 1,000 to 2,003 (proportionate interest not shown).

International Paper & Power—M. G. Chace, director, holds 11,100 common, 1,700 preferred and increased common warrants 1,500 to 11,500. J. H. Hinman, officer and director, increased common 50 to 307, and holds 207, 5% preferred. Ogden Phipps, director, holds no shares directly; through a holding company decreased common 2,100 to 138,630, decreased 5% preferred 900, to 26,615 and decreased common warrants 7,500 to 117,031, and holds 450, 5% preferred in trust (proportionate interest not shown).

Nipissing Mines—E. P. Earle, officer and director, increased 1,200 to 8,100, and owns 3,400 through Nipoch Corp.

Hiram Walker-W. & W.—T. H. Gibbons, officer, in Oct., 1940, increased common shares 45 to 245, and holds 100 cumulative preferred.

* * *

Fairchild Aircraft—Among the larger items included in the list of orders awarded by the Department of Munitions and Supply in the week ended Jan. 3, 1941, is one for $213,840 to this company. Cumulative total of orders obtained by Fairchild since July, 1939, now amounts to $8.8 millions.

* * *

General Steel Wares—This company recived orders totalling $72,454 from the Department of Munitions and Supply in the week ended Jan. 3, bringing cumulative total of orders received to $1.3 million.

Significant Investors' Index Numbers

1926 = 100

No. of Securities	Mach. and equip. 8	Pulp and paper 7	Milling 3	Oils 4	Textiles and clothing 10	Food and allied prod. 12	Beverages 7	Bldg., mater. 15	Power and traction 15	Banks 8	Total utilities 19	Total co's. 95
1929-39:*												
High ...	432.5	113.4	273.4	423.5	113.5	197.8	204.6	281.1	197.6	131.7	166.0	198.3
Low	39.2	3.0	37.7	87.7	30.8	78.8	33.8	44.3	47.1	63.1	36.9	43.3
1940:												
Monthly Figures:												
Jan.	134.3	24.5	98.8	155.8	86.4	183.0	135.4	150.7	61.3	84.5	45.7	99.7
Feb.	129.3	23.4	98.4	158.2	90.7	184.3	134.0	146.8	60.3	84.3	45.3	99.0
Mar.	134.1	22.9	96.5	155.4	91.4	185.7	135.4	146.5	61.1	85.1	47.1	99.1
Apr.	132.5	24.6	95.9	147.6	91.6	184.7	137.9	146.4	61.9	83.8	47.1	97.0
May	102.6	16.3	77.6	124.7	80.5	165.0	117.9	115.8	52.0	79.7	39.4	80.4
June	93.2	13.1	62.9	100.2	70.3	144.1	106.9	103.3	47.0	74.7	35.8	71.9
July	92.0	13.9	67.1	101.3	74.5	145.8	114.2	102.3	47.1	70.0	35.5	72.5
Aug.	98.5	15.3	68.4	104.4	76.9	150.1	120.3	107.8	48.6	72.1	37.1	76.0
Sept.	107.0	16.5	81.0	120.9	81.9	163.1	124.9	121.0	51.3	76.0	39.3	83.2
Oct.	105.1	16.1	79.3	112.0	81.5	162.9	124.8	123.6	51.1	75.2	38.8	81.4
Nov.	107.6	16.6	69.1	108.6	82.0	161.7	132.7	126.9	50.6	75.9	39.4	81.7
Dec.	98.3	15.4	63.8	97.0	78.8	159.9	133.6	121.9	50.2	77.4	38.5	77.1
Weekly Figures:												
Jan. 2 ..	95.7	15.3	63.2	98.1	78.4	157.1	137.0	120.4	50.9	78.3	39.1	77.5
Jan. 9 ..	97.1	15.3	61.5	104.0	77.4	158.9	132.6	119.9	50.9	77.9	39.4	78.5

*High and low for year from 1929 to 1939 inclusive are based on weekly figures compiled from figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indust.	20 Golds	10 B.M.	15 W.O.
Jan. 14	103.14	108.73	69.12	21.54
Jan. 13	103.31	109.28	69.25	21.56
Jan. 11	103.23	109.17	69.12	21.51
Jan. 10	102.74	109.76	69.08	21.40
Jan. 9	102.56	108.87	68.19	21.32
Jan. 8	101.79	108.61	67.85	21.38
Month ago ..	101.73	108.53	69.16	21.38
Year ago ...	123.64	119.89	86.81	31.97
High 1940-41.	128.84	123.80	88.97	33.31
Low 1940-41 .	86.00	77.34	56.81	18.44

Montreal Stock Exchange Average

	10 Util.	20 Ind.	30 Chd.	10 Pprs.	15 Golds
Jan. 14	54.0	65.8	61.8	79.92	79.82
Jan. 13	54.2	65.9	62.0	81.45	79.99
Jan. 11	54.2	66.4	62.3	80.96	79.87
Jan. 10	53.9	65.6	61.7	81.37	79.39
Jan. 9	54.3	65.5	61.7	81.80	79.19
Jan 8	54.1	65.3	61.6	80.68	79.00
Month ago .	54.8	67.2	63.1	83.32	80.28
Year ago ..	67.0	87.3	80.5	137.31	98.13
High 1940-41	69.2	92.3	84.4	152.63	100.81
Low 1940-41	50.7	56.0	54.7	66.44	65.16

1941 INVESTMENT & SPECULATIVE OPPORTUNITIES

Dealing with 8 stocks, which should provide a satisfactory income and worthwhile capital appreciation during the coming year, our 1941 list of recommendations is now ready for distribution and will be mailed free upon request.

2 JUNIOR DIVIDEND PAYING MINES breaking into the senior class, for safe investment plus capital appreciation.

4 JUNIOR DIVIDEND PAYING MINES having safety of principal plus exceptional appreciation possibilities.

2 PRODUCING MINES selling below their intrinsic value. Still in the penny classification.

Please send your analysis of 8 stocks to—

Name ....

Address .... F.P.

Branches:
SUDBURY
WINDSOR
NORTH BAY
ST. CATHARINES

DRAPER DOBIE & CO.
MEMBERS THE TORONTO STOCK EXCHANGE
330 BAY ST. TORONTO

New Issue

$500,000
Federal Foundries & Steel Company
LIMITED
(*Incorporated Under the Laws of the Province of Ontario*)

5½% First Mortgage Bonds

Dated 15th December, 1940 Due 15th December, 1950

Principal and half-yearly interest (June 15th and December 15th) payable at the main office of the Company's bankers in Toronto, Montreal, London, Windsor and Halifax. Callable as a whole or in part at any time on 30 days' notice at 103 and accrued interest.

Denominations: $1,000, $500 and $100

Bonds registerable as to principal. Registrar and Trustee: Crown Trust Company, Toronto.

Capitalization

5½% First Mortgage Bonds—Authorized $600,000—To be Issued $500,000
Common Shares, No Par Value—Authorized 750,000 shares—To be Issued 500,000 shares

Purpose of Issue

The purpose of this issue of $500,000 bonds is to complete the purchase of the plant and equipment of the London Rolling Mill Co. Ltd. at London, Ont., and of the Sandwich Foundry Co., Ltd. at Windsor, Ont., to provide funds for repairs and additions at an estimated cost of $90,000 and to provide the Company with approximately $137,000 of working capital. The issue of bonds will be secured by first mortgage on all the fixed assets of the Company and a floating charge on all other assets.

Plant and Equipment

The London plant is equipped with two modern electric furnaces, rolling mill equipment, etc. and with certain improvements and additions to be provided for out of this issue it will have an annual capacity of 20,000 tons of high grade alloy and tool steels. The Windsor plant is modern, ideally located and will have an annual capacity of 50,000 tons of grey iron, steel and semi-steel castings, production to be on assembly line principles. These properties have been currently appraised at a total depreciated value of $665,867.

Directors

E. A. Wilson, President
President and General Manager, Ingersoll Machine & Tool Co., Ltd.; Vice-President and General Manager, John Morrow Screw & Nut Co., Ltd.; Director, Huron & Erie Mortgage Corp.; Director, Canada Trust Company.

A. J. Brandt, Vice-President
Senior Partner, A. J. Brandt Co., Consulting Engineers, Detroit, Mich.; previously associated with General Motors Corporation, E. I. DuPont de Nemours & Co.; United States Rubber Company; American Locomotive Company; American Car & Foundry Company; Austin Motor Co., Ltd.; Birmingham, England; Pirelli Rubber Company, Milan, Italy; and the International Harvester Company.

C. M. Murray, Director
Canadian Representative for Brace-Mueller-Huntley, Inc. Steel.

Travers Sweatman, K.C., Director
Barrister at Law.

George J. Sykes, Comptroller and Secretary

Operation and Earnings

In the opinion of the management, the outlook supports capacity operations from the outset and under peace conditions the Company will provide a much needed permanent source of high grade steels in Canada.

A careful survey of the productive capacity of the plants and the demand for the company's products indicate earnings of not less than three times the requirements for bond interest for the first full year of operation after substantial allowances for depreciation and Federal Taxes.

Sinking Fund

The Company is obligated to set aside not less than 50% of its net profits for the redemption of bonds and not less than 75% of such sums as may be available for depreciation must be applied to the redemption of bonds before any dividend can be paid on the common stock.

We offer the bonds of this issue if, as and when issued and accepted by us, subject to the favourable approval of Counsel.

PRICE: 98 and accrued interest, yielding over 5.75%
Carrying an Allotment of 400 Shares of Common Stock of No Par Value with Each $1,000 of Bonds Purchased

Harrison & Company
Limited
66 King Street West, Toronto, Canada

J. H. Crang & Co.
304 Bay Street, Toronto, Canada

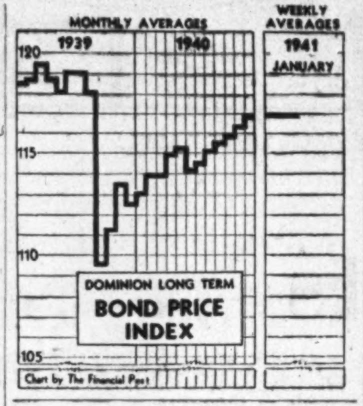
Bond Markets

Municipal Affairs Dept. Continues in Ontario

Premier Hepburn's Assurance Allays Investors' Fears of Unsupervised Municipal Finances — Royal Bank President Stresses War Thrift Need

Investors in bonds of Ontario municipalities no doubt are reassured by the recent statement of Premier Hepburn that the Ontario Government has no thought of curtailing operations of the Department of Municipal Affairs.

Establishment of a separate Department of Municipal Affairs was one of the early acts of the Hepburn Government in 1934. The new department was faced with a deplorable situation of actual and threatened defaults among a number of Ontario municipalities. Since then these weak units have been nursed along, refinanced and supervised until today the record of Ontario's municipalities compares favorably with many others.



It is universally admitted by those in close touch with municipal affairs that a great deal of the credit for this showing must go to the department.

There still remains important supervisory work to carry on; educational work with municipal officials is already having important results. Working with the Ontario Municipal Board, the department supervises financing carried on by Ontario's cities and towns. Budgets are submitted to the department for approval and suggestions.

Investors have come to depend on this department to maintain the good credit of Ontario municipalities. Municipal officials and councils themselves find it a valuable help from time to time.

* * *

Less Spending

Most important feature of Canadian Government finance is the expanding programme for the sale of War Savings Certificates, the recent annual meeting of the Royal Bank of Canada was told by Morris W. Wilson, president and managing director.

Once full employment of men and machines is attained, curtailment of consumption by means of war savings becomes imperative in order to permit increasing output of war materials. Thrift on the part of those in the lower income brackets, (who in England absorb 64% of the consumers' goods used in the country) is the only practical method of attaining this end. Failure to mobilize the increased earnings of Canadian labor through war savings would mean that the production of consumers' goods in Canada would increase rather than diminish and to that extent stultify Canada's war effort.

* * *

Big Year Ahead

Full mobilization of Canadian investment markets during 1941 to meet refunding and new capital needs is predicted by A. E. Ames & Co. In the current year [illegible] estimated $889 millions of Dominion, provincial and municipal obligations will mature. Heaviest months will be May with $281 millions, October with $208 millions and November with $158 millions. Sinking funds will meet only a nominal amount of this total.

Repatriation of British-held securities will probably continue. Some $231 millions were transferred to the Canadian Government in 1940 and paid for out of 1940 borrowings. A further estimated $109 millions of Grand Trunk 4% perpetual debenture stock is now in the hands of the British Treasury, probably to be transferred to Canadian holders.

Total public debt of the Dominion, provinces and municipalities is estimated to have jumped some $700 millions in 1940 to $8.4 billions at the beginning of 1941. During the year $1.3 billion of financing was completed by the above bodies of which some $516 millions was refunding and $835 millions went for new capital requirements.

* * *

One City's Programme

Five years of freedom from debt increase for capital purposes was demanded by J. P. Ryan, newly elected mayor of Brantford, in his inaugural speech to the Brantford City Council. In 1940 Brantford took nearly $72,000 less from its taxpayers than in 1938, and if the next five years sees no additions to the city's debts, the annual levy for debt principal will be reduced some $133,000.

Further reduction of 1½ mills in the Brantford tax rate was recommended by the mayor. A like reduction was effected in 1940 and ½ mill was the reduction in 1939. In addition to aiding the national war effort, tax reductions stimulate industry, increase and diversify the avenues of employment available to the citizens of a municipality. The mayor recommended formation of a council composed of three aldermen to prepare a definite plan for furthering industrial expansion.

* * *

Bond Index

The D.B.S. index of long-term Dominion of Canada bonds at 117.1 for the week ended Jan. 9 was unchanged from the previous week. It was 5.1 points higher than in the same week of last year.

DOMINION OF CANADA
Long-term Bond Index

	Weekly average Jan. 3-9	Preceding week Dec. 27-Jan. 2	Weekly average year ago
Price	117.1	117.1	112
Yield	69.3	69.3	75.7

Scotia Bond Co. Enters Investment Field

From Our Own Correspondent

MONTREAL.—Nova Scotia Bond Corp. Ltd., of Halifax, has discontinued its retail investment business.

John C. Ruske, who has been manager of the company, has formed Scotia Bond Co. Ltd., with head offices in Halifax. The new company will conduct a general securities investment business.

Foreign Exchange

During the week Jan. 7 to Jan. 13 there was no change in the quotation to the United States dollar at Toronto and Montreal, which was $1.10 for buying and $1.11 for selling. The sterling rate likewise was unchanged at $4.43 buying and $4.47 selling. The rate is published daily by the Foreign Exchange Control Board.

Other Currencies, Jan. 13

Australia ...	3.58	N. Zealand..	3.61
India	.3372	S. Africa ...	4.47
Japan	.2608	Hong Kong .	.2645

Classified Advertisements

Classified ads. cost 4c. per word and figure for each insertion. Minimum ad 12 words. Add six words when box number is required. When replies are to be mailed to advertiser, add 10c. Classified ads. payable in advance. Contract rates on application.

EXPORT EXECUTIVE AVAILABLE

ALL AROUND export experience, including Spanish and French translation and exchange board dealings, is available if you wish to invest in the honest endeavour of a young man giving satisfactory business service at present. Will you kindly communicate with Box 7, The Financial Post, Toronto, Ont.

FIRE INSURANCE WITH Dividends YEAR AFTER YEAR

Under the Northwestern Mutual plan annual savings returned to policyholders have reached the million-and-a-half mark. Since organization over $26,250,000 savings have been returned to policyholders.

NORTHWESTERN MUTUAL FIRE ASSOCIATION

ASSETS $8,970,000

FOR INDUSTRY

Speed the work of plant expansion with ★ J-M Built-Up Asbestos and Asphalt Roofs ★ J-M Roll Roofings ★ J-M Insulating Board ★ J-M Asphalt Tile Flooring ★ J-M Rock Wool Insulation ★ J-M Asbestos Wall Boards ★ J-M Acoustical Service and Materials.

JM JOHNS-MANVILLE BUILDING MATERIALS

FOR THE HOME

Modern materials that protect against fire, weather and wear. J-M Cedargrain Asbestos Siding Shingles ★ J-M Asbestos and Asphalt Roofing Shingles ★ J-M Rock Wool Home Insulation ★ J-M Asbestos Flexboard and Wainscoting ★ J-M Decorative Insulating Board.

CANADIAN JOHNS-MANVILLE CO., LIMITED
Mine and Factory: Asbestos, P.Q.
TORONTO · MONTREAL
WINNIPEG · VANCOUVER

DIRECTOR

F. Hedley Marsh, general manager of the Bank of Toronto, has been elected a director of the bank. He was appointed general manager in 1938 and is a vice-president of the Canadian Bankers' Association.

Record Surplus Reported by N.B.

Revenue and Expenditure at Highest Point in History

Record surplus on ordinary account and reduction in net debt are shown by the public accounts of New Brunswick for the year ended Oct. 31, 1940. Revenue and expenditure also reached the highest point in the Province's history.

Revenue totalled $10.3 millions during the year, which was $305,533 above estimate and $1.8 million above that for the year ended Oct. 31, 1939.

All Revenue Buoyant

Revenue from the department of lands and mines, liquor control board, corporation taxes, gasoline tax and succession duties were all better than expected.

Expenditure of $9.8 millions was $413,846 greater than in the preceding year, but $218,887 less than estimate.

The province budgeted for a surplus of $13,273, while the actual surplus on ordinary account totalled $538,143.

Change Relief Costs Policy

J. F. Hayes Doone, provincial secretary-treasurer, reports that since last April unemployment relief costs have been included in ordinary expenditure. In previous financial statement this charge was not considered in reporting ordinary surplus or deficit for the year.

Following are comparative financial statements for the last and preceding years:

Ordinary Account
Years Ended Oct. 31

Revenue:	1940 $000's	1939 $000's
Dominion subsidy	1,567	1,567
Stumpage fees	835	452
Corporation taxes	353	210
Succession duties	526	177
Liquor Board	1,656	1,157
Motor vehicles	1,401	1,157
Gasoline taxes	2,121	1,921
Other revenue	1,843	1,715
Total	10,302	8,475
Expenditure:		
Interest, etc.	4,218	3,936
Sinking fund	501	445
	4,722	4,381
Public welfare	1,419	1,367
Education	897	865
Public works	1,397	1,376
Lands and mines	400	448
Agriculture	307	274
Other expenditure	622	639
Total	9,764	9,350
Recapitulation		
Ordinary revenue	10,302	8,475
Ordinary expenditure ..	9,764	9,350
Surplus or deficit	s538	d875

Composition of Net Debt
At Oct. 31

	1940 $000's	1939 $000's
Railways	1,021	1,021
Roads	59,930	60,623
Bridges	13,614	13,324
Other cap. exp.	12,456	12,035
Deficits	7,013	7,571
	94,034	94,574
Less: S. f. res.	9,002	9,206
Net debt	85,032	85,368

Quebec Groups Get Out of Red

Fifteen additional corporations were refinanced in the past year as a result of the activities of the Quebec Municipal Commission. Up to the close of 1940, 76 municipal, school and religious corporations had been reorganized, representing over $15 millions in funded debt.

All the reorganized corporations have met their interest and principal maturities according to their reorganization plans and some have anticipated their debt requirements.

Excluding the City of Montreal, 14 municipal and school corporations having the relatively small funded debt of $1.2 million remain to be reorganized. Reorganization plans are to be submitted on ten of these within the next six months, accounting for $213,550 of the total and the remainder, involving $1,006,300 have not yet advanced to the point of setting dates.

Breakdown of the bonded debt of defaulted corporations is as follows:

Plans Slated Within Six Months

	Debts $
Municipal Corporations:	
Township of Tache	46,100
St. Michel de Mistassini	16,900
Larouche	19,700
Ste. Lucie de Beauregard	12,000
St. Felix d'Otis	4,300
L'Ascension de Notre Seigneur	15,000
School Corporations:	
Royal Rousillon	41,200
Deschenes. Village	10,750
Quebec West	36,000
St. Michel de Mistassini	11,600
	213,550

Other Corporations in Default

Municipal Corporations:	
Town of Bagotville	543,500
Town of Quebec West	272,000
Macamic	48,300
School Corporation:	
Bagotville	142,500
	1,006,300

JOINS CONTROL BOARD

From Our Own Correspondent

MONTREAL.—Marcellin J. Pettigrew has been appointed to the Board of Commissioner-Censors of the Provincial Bank of Canada. Mr. Pettigrew is president of Rioux & Pettigrew Ltd., wholesale grocers of Quebec City, and vice-president of La Traverse de Levis Ltd. The Commissioner-Censors form a board of control for the savings department of the bank.

Federal Foundries Bonds Offered

Underwriting Arranged For Iron and Steel Firm in Western Ontario

Underwriting has been arranged for an issue of $500,000 of 5½% first mortgage bonds of Federal Foundries & Steel Co. The underwriting has been undertaken by Harrison & Co. and J. H. Crang & Co., Toronto.

The bonds are being offered at 98, to yield over 5¾%, with an allotment of 400 shares of common for each $1,000 bond.

Federal Foundries is a new company, organized to acquire the plants of Sandwich Foundry Co., Windsor, and London Rolling Mill Co., London. The Windsor plant has a capacity of about 50,000 tons annually of grey iron, steel and semi-steel castings. The London plant is equipped with two electric furnaces and will have a capacity of about 20,000 tons annually of alloy and tool steel, according to the prospectus.

It is expected that operations will be under way by the end of February. The plants have been idle for some time.

Output of the London plant is to be contracted for in advance to the Ingersoll Machine & Tool Co. and John Morrow Screw & Nut Co., both of Ingersoll, Ont. The president of Federal Foundries, E. A. Wilson, is also president of the former company and vice-president and general manager of the latter.

Officers and directors of the company will include:

E. A. WILSON, president, Ingersoll, Ont.

A. J. BRANDT, vice-president, Detroit, consulting engineer and at present assistant to William Knudsen in charge of aircraft manufacturing in the United States.

C. M. MURRAY, Toronto, Canadian representative of Brace-Mueller-Huntley, Inc., which firm is to handle sales.

TRAVERS SWEATMAN, K.C., Toronto.

GEORGE J. SYKES, comptroller and secretary, London, Ont.

Balance sheet as at Jan. 3, 1941, giving effect to new financing shows plant and equipment, as valued by Sterling Appraisal Co. in Dec., 1940, at $665,000. Cash of $236,720 is shown of which $90,000 is set aside for plant additions and improvements, $10,000 will go for organization and financing costs and $136,720 be available for working capital.

Of the $500,000 bond issue, $269,000 is being sold for cash and $231,000 is to be issued as part consideration for plants and equipment. All but $75,000 of the total will eventually be distributed to the public, the latter amount being held by Mr. Wilson.

Information prepared by Harrison & Co. estimates that capacity operations could result in sales of $7 millions annually at prevailing minimum prices. It is said that favorable Government policy with regard to depreciation allowance is assured.

Bond Redemptions

Bond Issues:	Rate	Year	Due	Price
Stand. Lime ...	6%	1944	Feb. 1	102
Dom. Telegraph †	5½%	1978	Feb. 2	100

†Drawn by lot $4,300.

Bond Tenders

12 Noon, Jan. 15, Canada Treasury Bills —$40,000,000, dated Jan. 16, 1941, payable Apr. 18, 1941.

WE OFFER

The Bell Telephone Company of Canada

CAPITAL STOCK

Approximately 30,000 shares of the capital stock of the Company are included in this offering. These shares form part of the securities formerly held by residents of the United Kingdom, later vested in the British Government under the terms of the "Acquisition of Securities Order of October, 1939", and now offered for sale in Canada.

A descriptive memorandum is available upon request.

Price: $158.50 per share; yield 5.05%

All subscriptions will be received by us subject to rejection or allotment, and we reserve the right to close the subscription books at any time without notice.

It is expected that share certificates will be available for delivery in Montreal and Toronto on or about January 14th, 1941.

The Dominion Securities Corporation, Limited
Wood, Gundy & Company Limited
McLeod, Young, Weir & Co., Limited
Cochran, Murray & Co., Limited
L. G. Beaubien & Co., Limited
Midland Securities Limited
Harris, Ramsay & Co., Limited

Bond Sales

City of Hamilton, Ont.

Treasury bills of the City of Hamilton to the value of $250,000 have been purchased by Harrison & Co., Toronto. Bills mature June 2, 1941, and were bought at 99.41982, representing a cost basis of 1.50%. No call for tenders was made and Harrison & Co. were sole bidders for the issue.

* * *

Twp. of Gloucester, Ont.

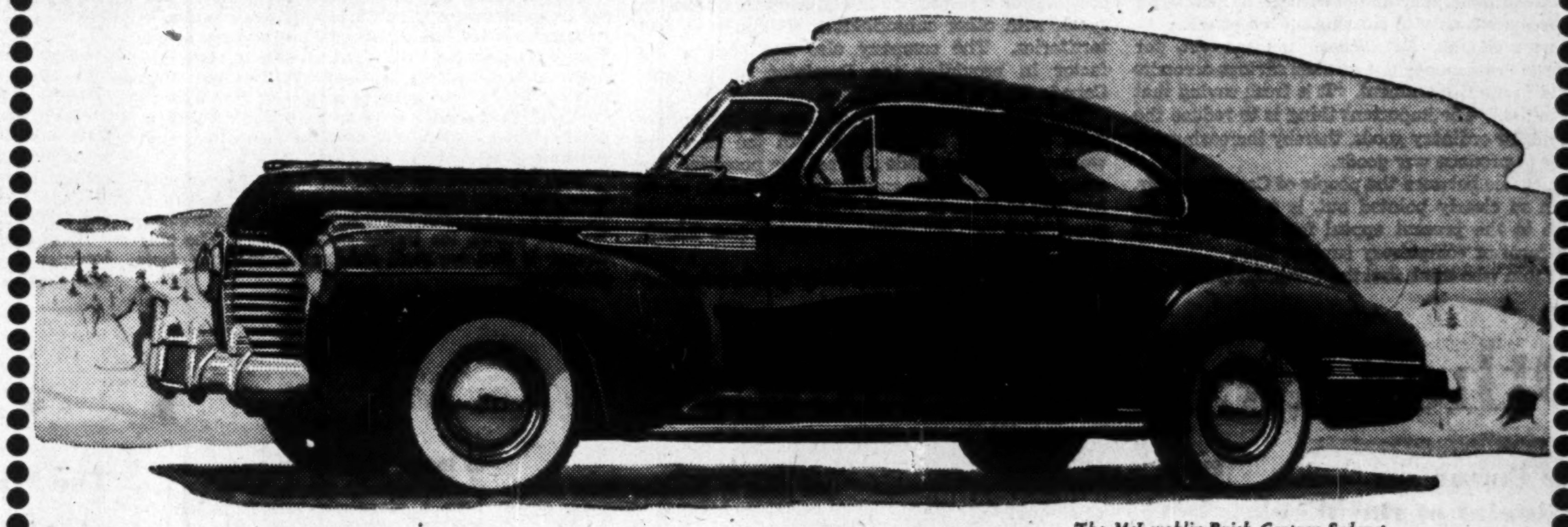
The Bank of Toronto has purchased an issue of $36,207 Township of Gloucester debentures at 100.67, to yield 3.25%. Issue includes $17,246 in 5-year 3%'s, $7,223 in 11-year 4%'s and $11,738 in 9-year 3½'s. Tenders submitted follow:

Bank of Toronto	100.67
John Graham Co.; Fry & Co.	100.065
Castledine, Poulin & Co.	96.75

Village of Kemptville, Ont.

Harris MacKeen Goss & Co., Toronto, won the recent offering of $7,000 Village of Kemptville 10-year 3½% installment debentures with a bid of 100.79 — a yield basis of approximately 3.40%.

Harris, MacKeen, Goss & Co.	100.79
J. L. Graham & Co.	100.31
John Graham & Co.	100.11
Dyment, Anderson & Co.	100.00
C. H. Burgess & Co.	99.16
Frank L. Craig	99.00



The McLaughlin-Buick Century Sedanet.

Some folks still can't believe their eyes

GOING over Buick dealers' reports on our 1941 models, we find an unusual thing happening.

Time and again cars come in for the usual inspections with an extra note of instructions — "Please check the gas gauge needle."

There's nothing wrong with those gas gauge needles — they work perfectly.

But even after hundreds of miles, people mistrust their eyes when they see the snail-like pace from the Full mark toward Empty—they don't see how it's possible for a car as big as Buick to go so far on so little.

But it does—and for good reasons.

The whole FIREBALL engine was designed and built to get the most good out of modern gasolines.

And the simple secret of Compound Carburetion is that it keeps your engine running on its most frugal diet for all *normal* driving—and provides full feed *only* when you need, want and call for the lift of extra wallop. Meantime even the gears are helping save money — for the regular high gear in a Buick gives you the economy of the so-called "gas-saving" top speeds you hear boosted so enthusiastically.

The big thing is, of course, that this is no small car that's setting these economy figures. There are all the room, size, impressiveness, comfort and downright thrilling performance you expect from a Buick.

Maybe that's why people still hesitate to believe their own eyes.

We assure them, however—and you too—that it isn't because the needle's out of kilter that it goes down so slowly. It's because that needle's in a Buick—a thrifty and thrilling 1941 FIREBALL Buick.

"Best Buick Yet"

The Editorial Page . .

Wanted: 293,700 Men

Last October The Financial Post suggested that the most urgent problem facing this country was the provision of skilled man power for our war industries.

At that time Ottawa was doing not a single thing to face up to the grim necessities of the impending labor shortage, then plain enough to industrialists.

Now the Government has produced a plan for training war industry workers. The statistical report of its interdepartmental committee reveals the shocking size of the problem that must be faced.

Canada will need 117,200 more men in the fighting forces in the fourteen months to March 31, 1942, not counting "trainees" for home defense. These men can be found.

But in addition we shall require 176,500 trained workers for war industries and industries serving them.

The figure of 176,500 needed war workers is several times larger than any official estimate hitherto given. It is the finding of a government committee at a time when Canada is rapidly approaching peak production, peak employment, when there are almost no reserves of unused workers to be summoned to employment. The gap comes in the war ranks of labor at the very time when no reinforcements are in sight.

In the face of this shortage, what has the Labor Department and the Government been doing about it?

Even as late as September, the department was proudly proclaiming a training policy to equip some 26,000 persons for industry. And it was common knowledge in the Labor Department that this estimate was optimistic. Dr. Bryce Stewart in a statement last week said that the training policy, as it now stands, would turn out 40,000 recruits per year.

The Government as a whole viewed the labor situation with the utmost complacency. The military training scheme was adopted in July and enforced in October despite the protests of manufacturers. The rule was laid down that there could be no exemptions, regardless of how important a worker might be. As late as November, Hon. J. G. Gardiner, the Minister of National War Services, was declaring that if employers could not let their men go to training camps and maintain their production, something should be done to change the employers. Only when the labor crisis had developed did the Government take cognizance of it and backtrack in exempting essential men from training and, later, extending the period of training from one to four months.

Now the problem is to be faced and a nation-wide labor training scheme established. Belated as is the Government's plan, it will be welcomed by the whole country.

Our Platform For Canada

1. *Strengthening cabinet leadership by drawing on Canada's best executive brainpower irrespective of political considerations.*
2. *An inner war cabinet, free from departmental duties, to plan the nation's war effort and to see that the plans are carried out.*
3. *Appointment of non-political industrial executive with complete authority to organize and direct procurement of munitions and supply.*
4. *Pay-as-we-go policy, in so far as consistent with an all-out war effort.*
5. *Elimination of public and private waste.*
6. *A national programme for post-war employment and relief problems, along lines of Sirois report.*

Winning the war has become the focus, for all effort, national or personal, in Canada. It requires full mobilization of the nation's material and spiritual resources.

To the fullest degree, this should be achieved by individual effort, freely made.

Strong national leadership will inspire service and sacrifice which in turn will reduce the need for regimentation and compulsion.

Why We Must Lend to Win

The real reasons why self-denial and savings must urgently be demanded of the civilian population in wartime are well set forth by Morris W. Wilson. Mr. Wilson, president and managing director of the Royal Bank of Canada, spoke at the annual meeting of his institution.

When buyers persist in bidding for goods which are not available, they do not succeed in increasing the supply, but only in running up the prices.

It isn't enough, Mr. Wilson pointed out, for people to draw money out of their savings accounts to lend to the Government. "It is fresh saving that is essential." The important thing is to reduce the demand for ordinary goods, thereby increasing our ability to produce war goods.

The choice between the people of Canada, as Mr. Wilson so clearly pointed out, is a favorable response to the present appeal for war savings or some form of compulsory savings plan.

To those who think that the wealthier classes and the corporations can supply all the money that is needed to lend to the Government, Mr. Wilson had a word to say. He showed that those in the lower income brackets are responsible for perhaps two-thirds of the demand for consumers' goods. If the working man, who has full employment at good wages, makes full use of his increased purchasing power, then rapidly rising prices are inevitable.

On the other hand, the "surplus income" of the higher income groups automatically finds its way into the financial stream and becomes available to the Government. Therefore, if we are to avoid inflation, savings by individuals of the lower income brackets are essential.

The logic of Mr. Wilson's facts is unassailable.

When Commendation is Deserved

Winding-up its year-long 60th Anniversary advertising series of 1940, the Bell Telephone Co. of Canada remarked that "Everyone likes to be complimented . . . and so do we!" A panelled scroll presented some extracts from many complimentary editorial references to the company's progress and efficiency that appeared in Ontario and Quebec newspapers in the past year.

When a public utility gets so much praise in the papers that's news. Widespread and uniformly high degree of praise for any company is unusual. But there is much evidence to show that this universal approval has been deserved.

Bell boasts that it offers its customers "the lowest rates in the world for comparable service." Perhaps those rates explain why Canadians make more calls per telephone than the people of any other land. In long distance rates there have been eight reductions and readjustments in the past 12 years.

As proven scientific improvements and advances in the telephone art have been available, they have been placed at the service of the public. In this way economies have been found to offset the tendency toward increased costs as communities grow in size. Dial telephones have been installed in all major cities served. Service has been speeded up until today it is the fastest in the world. It is now possible for a subscriber in Ontario and Quebec to speak with other subscribers in 79 countries and territories. The company also has been a big factor in providing the Dominion with trans-Canada long distance facilities.

The Bell Telephone Co. of Canada has been a good citizen in its relations with the men and women who have made this service possible. The company has aided its employees to purchase stock; has helped them in purchasing life insurance, and provided a non-contributory pension and benefit plan.

Other companies, faced with a "public relations" problem and wondering what they should do about it, could learn this lesson at least from Bell Telephone: that the first step in winning public goodwill is to deserve it.

Editorials in Brief

If you are confused about the butter situation, here it is in a nutshell:

The Wartime Prices and Trade Board has fixed a "ceiling" to butter prices.

Assailed by farmers, "Jimmie" Gardiner says the Dairy Products Board will fix a "floor" to prices.

All that remains now is for some other board to make sure that the Dairy Board's floor is not higher than the Prices Board's ceiling.

* * *

By the time this item appears in print, the Toronto Evening Telegram Fund for the relief of civilian victims of the war over in England will be approaching the quarter million dollar mark.

The response to The Telegram's appeal has been phenomenal. People of all income groups and in every part of Canada have sent in their gifts, large or small.

The Evening Telegram is perhaps the most British paper in Canada; "more British," in the hackneyed phrase, "than the British themselves." But this cannot be the only reason for the rich response to the Telegram's appeal.

The foremost reason must be the realization on the part of the Canadian people that "the Little Man"—with his wife and children in Britain—is fighting our battle with more stubborn courage than any people in the world have ever before shown, or been called upon to show.

* * *

The Windsor Star protests against what it regards as the too-rapid repayment of debts in its city. It says: "The civic government must not be misled by local prosperity into putting secondary things first." It thinks that any extra money that people have belongs to Canada and the Empire and should not be used to buy luxuries for the city.

The luxury it is referring to is an extra two mills on the tax rate to provide for more rapid retirement of civic debt.

The Windsor Star is, we believe, wrong in its economic reasoning when it thinks that the extra two mills on the tax rate, when it is to be used for debt reduction, hobbles the national war effort.

Every extra cent taken from the civic taxpayer now—when they can afford it—is money taken out of a stream of purchasing power. If it is used to repay debt it goes into the stream of financing power. It becomes available directly or indirectly for the purchase of Dominion Government bonds.

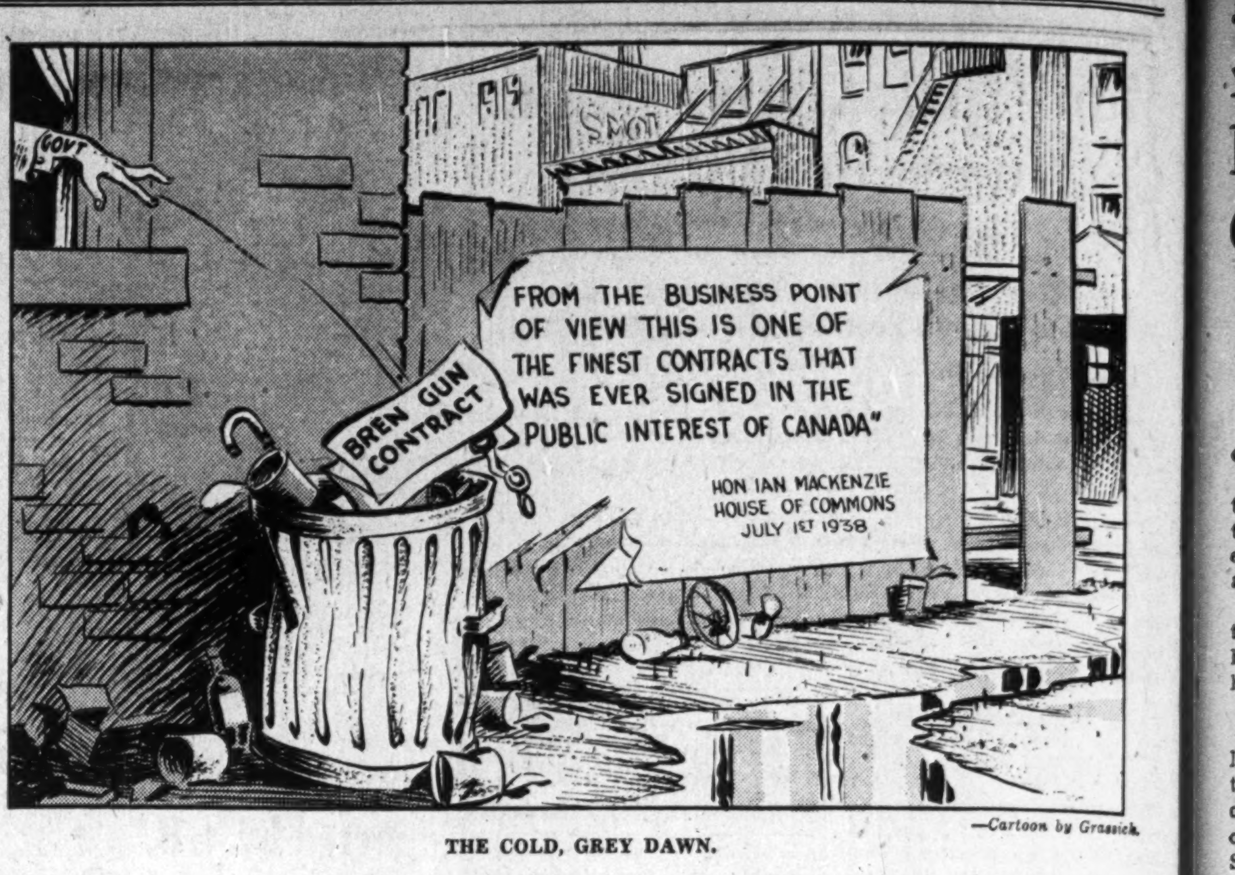
It would be most lamentable if the idea spread that the payment of debts were unpatriotic in wartime. On the other hand, every individual, every city, every corporation should endeavor to reduce its debts out of "war prosperity." It would do itself a good turn and, through self-denial, make money available for lending to the Dominion Government.

* * *

The remarks of President Morris W. Wilson of the Royal Bank of Canada may lead some observers in other countries to feel that Canada is not making a 100% effort. Mr. Wilson expressed doubt if our governments have curtailed their ordinary budgets as much as they could and should. He was very critical of the application of the Excess Profits Tax and other corporation taxes which are not designed at present either to produce the maximum returns or to spread the incidence of taxation fairly over industry as a whole. He felt impelled to make an urgent appeal to the Canadian people to save voluntarily lest they be forced to save by legislation.

Such frankness is not popular but it's salutary. There are those who regard The Financial Post's criticism of lethargy and inefficiency in various branches of our war effort as being little short of treason. But in a nation at war, nothing less than a 100% all-out effort counts. The critical voice of a man of Mr. Wilson's independent character is to be welcomed. All of us, governmental leaders and common men alike, need the spur of constructive criticism.

And we should not worry too much if our discussions within the family are overheard by the neighbors or even by the enemy. Hitler knows what we are doing, England knows, the United States knows. The only danger is that we shall not frankly face the facts ourselves.


GOV'T
SMOT
BREN GUN CONTRACT
"FROM THE BUSINESS POINT OF VIEW THIS IS ONE OF THE FINEST CONTRACTS THAT WAS EVER SIGNED IN THE PUBLIC INTEREST OF CANADA"
HON IAN MACKENZIE HOUSE OF COMMONS JULY 1ST 1938

—*Cartoon by Grassick.*

THE COLD, GREY DAWN.

Post-Scripts . . . .

Joins the Team

There won't be as much "shinny" or baseball in St. Catharines but there will be more goals scored and home runs made at Ottawa now that Harry J. Carmichael has teamed up with Harvey J. MacMillan to head Canada's War Requirements Board.

H. J. CARMICHAEL

Granted they are given an opportunity, these two should score well for Canada's war effort. Harvey MacMillan has spent his life with timber and ships and in an industrial empire which extends around the world. Harry Carmichael started as a pattern maker nearly 33 years ago and has been quietly working to the top in the realm of steel, engineering and motor vehicle transport. Both of them have boundless energy and enviable records of getting "results." Both are modest but with plenty "on the ball."

* * *

Harry Carmichael was born in New Haven, Conn., of British parents and came to St. Catharines nearly 30 years ago to play baseball. A job was found for him in the McKinnon plant. He started as a pattern maker at 30 cents an hour. When he became president and general manager of the company about 17 years later the men in the shop, the youngsters who played "shinny" with him at week-ends, still called him "Harry"—they do yet, for he has continued to spend two days a week at St. Catharines, even though for the past five years he has been vice-president and general manager of the General Motors of Canada organization, with headquarters at Oshawa.

Harry Carmichael is still under 50. His business career really started when he quit a $25 a week office job, rolled up his sleeves and went to work in the factory of Sargeant & Company in New Haven at $3.50 a week. His office job, by the way, was a substitute for a university education. Harry Carmichael's only interest in the university in those days was athletics. But a strained ligament stopped both his sporting and university career—the former temporarily and the latter permanently. When a chance to play baseball and get a good factory job as well offered in St. Catharines, he grasped the opportunity.

* * *

Harry Carmichael is still a fine athlete. What is more, his sportsmanship, his love of youngsters, his ability to "play the game" and play it well is the fact that he has always kept shoulder to shoulder with the men on the production line. There are few men in positions with high executive responsibility in Canada who have such an intimate knowledge of production problems or who know the viewpoint of labor as well as does Harry Carmichael. The fact that General Motors of Canada has been making a major contribution toward the war effort, by producing 300 vehicles per day, is another reason why Mr. Carmichael should make an important contribution in the planning and directing of wartime priority, supply and allied problems.

* * *

Harry Carmichael is a bachelor. He still lives in the same house in St. Catharines that he went to 25 or more years ago.

He has been a director of the Bank of Toronto for several years and holds directorships in Premier Trust, Buffalo Ankerite Gold Mines, Inspiration Mining & Development Co., and some smaller enterprises.

He has resigned his position at General Motors in order to accept the position of assistant chairman of the Wartime Requirements Board.

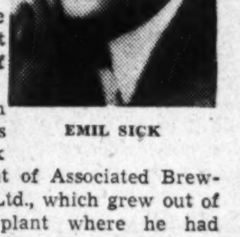
Of all Canada's top-flight executives, Harry Carmichael remains perhaps the most modest and unassuming. Yet his record shows he has unbounded energy, "drive," ability to get results, and lots of plain ordinary common sense.

* * *

No. 1 in Seattle

Forty-six years ago a son was born to a young immigrant couple in Tacoma. The couple were Mr. and Mrs. Fritz Sick.

Fritz Sick was a brewer by trade. In time he left the United States and moved to Canada finally settling at Lethbridge, Alta., where he started Lethbridge Breweries, Ltd. There he put his boy, Emil, to work as a shipping clerk.



EMIL SICK

The boy had attended Western Canada College at Calgary and later Stanford University and now came his chance to start up the ladder of business.

His promotion in business was steady. Emil Sick today is president of Associated Breweries of Canada, Ltd., which grew out of the Lethbridge plant where he had worked as a stripling. It controls or is interested in beverage units in Lethbridge, Regina, Prince Albert, Edmonton, Tacoma, Wash., Great Falls, Mont., Missoula, Mont., Seattle, and elsewhere. These concerns are all units of the expanding Sick brewing empire of the northwest.

* * *

Emil Sick is friendly, tireless and unsparing of himself. He has a keen sense of community responsibility. It was the same when he lived in Lethbridge, his home town for years, later when he went to Calgary. He is still the same public-spirited, generous-hearted citizen now that he and his wife, who comes from a pioneer family in southeastern Alberta, and their four children, are living in Seattle.

Emil Sick is, in fact, rated Seattle's No. 1 Citizen. He was vice-president of the Seattle Chamber of Commerce last year. The other day the chamber elected him its president for 1941. Speaking editorially, the Post-Intelligencer of Seattle, said:

> "This comes as a well-deserved recognition of a man who in the space of a few years has become an outstanding figure in the city's life . . . With 1941 just at its dawning, Mr. Sick is, in fact, in a fair way to become Seattle's man of the year in many lines."

* * *

Mr. Sick has hobbies. One is golf, another is hunting Hungarian partridge in southwestern Alberta with his friends, another is the Seattle Rainiers professional baseball team in the Pacific coast league. He owns it and makes it show a profit.

Seattle's baseball fraternity long have voted Emil Sick, the man from Canada, the No. 1 baseball booster and fan. He has given the city a winning team and a palatial sports stadium to play in.

Outside the business realm, Emil Sick belongs to a score of clubs in Canada and the United States including the Ranchmen's of Calgary. He's an Elk and a Shriner.

* * *

Ralston Serves

Hon. J. L. Ralston, Canadian Minister of National Defense, went to England more than a month ago for the purpose of expediting Canadian military aid to the United Kingdom. Soon after arriving, he became incapacitated to the extent of having to be taken to hospital, but he has insisted upon carrying on in the work he set out to do. On some occasions, the minister has been able to move around only with the aid of crutches. Even so he has visited virtually every Canadian military unit in England.

The Ottawa Citizen, commenting on these facts, points out that it is in accord with Colonel Ralston's fine record of service that he should so continue to sacrifice himself in the performance of public duties.

Colonel Ralston has never enjoyed the limelight of politics. He is happier in the practice of law where he has attained a leading position. With considerable reluctance, doubtless, he sacrificed this practice to return to the service of the nation at war. The minister's high sense of duty is being exemplified at this moment on the fighting front in the Battle of Britain, where he is carrying on under heavy physical difficulties.

* * *

Sayings of the Week

"Where British Columbia collected $69.15 in per capita taxes, Ontario collected $57.33. And still we consider ourselves the poor relation!" — *Bruce Hutchinson, in the Vancouver Sun.*

* * *

"Our people have proudly refused to yield to the temporary masters of Norway."—*Crown Prince Olaf.*

* * *

"If, in the exaltation of common sacrifice, a better plan of government cannot be found, I greatly fear that it will not be found when peace returns."—*Morris W. Wilson, President Royal Bank of Canada.*

* * *

"Our duty on Canada's home front may seem very simple, even tame, compared with the experiences of our kinsfolk in Britain, but it is vitally important."—*Sydney G. Dobson, general manager, Royal Bank of Canada.*

* * *

"Our pace is quickening; our strength is gathering; we are looking forward to the future with faith and confidence and with our chins up."—*James S. Duncan, Deputy Minister for Air.*

Stop Me If . . . .

A friend of Sir William Mulock, seeking to rag him, said:

"Sir William, I used to have a luxurious beard like yours but when I looked at myself in the mirror I decided to shave it off."

Quick as a flash, Sir William retorted:

"Sir, I once had a face like yours but when I looked at myself in the mirror I decided to grow a beard."

The Financial Post
Member Audit Bureau of Circulations
A weekly newspaper, presenting in a popular manner, reliable information respecting investments, business and national affairs in Canada.
FLOYD S. CHALMERS, Editor.
DOUGLAS M GOWDY, Business Manager.
Published by
The MacLean Publishing Co., Limited
481 University Avenue, Toronto 2
JOHN BAYNE MACLEAN, Founder and Chairman.
HORACE T. HUNTER, President.
H. VICTOR TYRRELL, Vice-President and Managing Director.
Subscription Terms: Single copies, 10 cents. Yearly, in Canada, United States, Mexico and British Empire, $5; all other countries, $6.
Advertising Rates: Single insertion $4.20 per inch. Contract terms upon request.
Montreal: Dominion Square Building, Murray R. Chipman, Eastern Manager; John E. Langdon, Eastern Editor.
London, England: Sun of Canada Bldg., 2, 3 and 4 Cockspur St., S.W.1.

Other People's Views . . . .

The Canadian Editorial of the Week

Tourist Trade

Sault Ste. Marie Daily Star

Mark Sullivan, whose syndicated Washington column is widely printed in the U. S., expresses the opinion that:

> "The next generation will go to Latin-America, not only for vacations but for trade and culture, too."

So we may wonder if Ottawa's action in limiting Canadians touring in the U. S. —it is said less than 1,000 permits have been issued so far—a good thing for Canada?

Ordinarily Canada has a large tourist surplus in the international exchange of visitors.

Ottawa has decided that it is better to reduce Canadian tourist spending in the U. S. to a mere dribble.

There are two results now noticeable. There is some U. S. resentment, with all that this implies, and Canada has put in jeopardy its usual dollar gain on balance between the two countries.

If Canada's action really makes it easier to finance our war purchases in the U. S. then there can be little objection to forbidding Canadians to leave Canada.

But if this action has the effect of rousing a hostile reaction in the U. S., with consequent loss of U. S. tourist business, the benefit to Canada may be doubtful.

* * *

As Others See Us

Inspiration Needed

Ottawa Journal

The Toronto Financial Post has been pretty critical of Canada's war effort; has sometimes been perhaps too critical. But The Financial Post strikes the right line when, observing a note of "urgency" in recent statements by Dominion ministers, it says:

> "This new note in Government statements is welcome. In the past ministers have been too much concerned with advertising, even with exaggerating, our war achievements: not enough concerned with stirring the country to greater production, greater effort, greater sacrifices."

There is much truth in this. We have been all too much given to such things as the handing out of weekly statements showing how many war contracts have been let, and for how much: and too much given to percentage comparisons of what we are producing now with what we produced in the last war.

It is but fair to add, we think, that in recent months the Government has shown a deeper appreciation of the demands of this war, has put more drive and resolution into it. The truth remains, nevertheless, that the full power of Canada is not yet mobilized; that we are very far from the effort (not to mention the sacrifices) of the people of Britain.

* * *

Huge Profits Not Taxed

Kingston Whig-Standard

The Financial Post does well to draw attention to a condition existing in western Canada about which few people are aware. The three western wheat pools have announced large profits this year. After paying depreciation and interest on debts the Manitoba and Alberta wheat pools had the nice tidy profit of $750,000 each. The Saskatchewan wheat pool is much larger so its profits were $1,600,000.

As a farm co-operative organization these pools are exempt from Dominion income taxes. These pools are competitors of private elevator interests which have to pay income tax on their profits.

Is there any valid reason why a co-operative profit-making organization should not pay taxes on its huge profits? Or are the private interests only to pay tax and "the peepul" to pay subsidies?

This looks like something the Government might explain.

* * *

Evidence on Every Street

Hamilton Review

A hint is dropped by The Financial Post that surprising changes may be seen in normal community delivery and distribution services within a short time. As a war measure the Federal Government may take steps to eliminate the exceptional duplication which now exists in many services.

Any street in Hamilton offers abundant evidence of wasted manpower every day of the week. Delivery men from a half dozen or so bakeries, dairies and other firms may be seen in one block. According to The Post, Ottawa thinks that one third of the present number of men and equipment could do the same work. It adds: "By next summer it's highly probable that drastic steps will have been taken to tap this source of manpower in order to meet the rising demand for war labor."

This matter is one which firms, likely to be affected by the suggested government action, might wisely consider now. Any method adopted to reduce overlapping, and merge certain services, is bound to create some degree of disorganization and confusion.

* * *

Mark This Paid

Brantford Expositor

The Financial Post makes an excellent suggestion with regard to the debt Greece owes Canada—that is to say, the financial obligation in the amount of $6,525,000. The Post's recommendation is that Canada "forgive the Greek people that debt as an expression of the admiration all Canadians feel for the stand they are making."

Before this war is over, a good many debts will have to be cancelled. Some have been marked off as "bad" already, including one owed to this country by Roumania. Greece borrowed $7,521,300 from Canada in 1919. The money was used not to buy arms or build houses, but to purchase food products right here in this country. The loan was funded in 1923 and, in the ensuing nine years, nearly $1,500,000 was paid on account. The term of payment runs to 1948.

At the moment Greece is fighting a victorious campaign against immensely superior forces. Nevertheless she needs and will continue to need all the help she can get. Greek successes have started Italy on the road to defeat and may prove a decisive factor in chasing the Fascists out of the war.

Now, suppose that Greece had decided that discretion was the better part of valor and had determined not to fight but to yield to Axis demands and submit to Italian invasion. The occupation of Greek bases by the enemy would have been a singularly serious matter for Britain's Mediterranean Fleet, and Greek capitulation would have brought the Axis hordes far too close for comfort in Africa.

But the Greeks were made of stern stuff and scorned to accept a coercive peace. They fought, and are fighting, not only the battles of Greece, but the battles of Britain and the Empire. To send Premier Metaxas a bill from Ottawa marked "Paid in Full" would still leave the British people in the Greeks' debt.

* * *

What the Papers Are Saying

Making the Ambassador Fit

St. Thomas Times-Journal

It was not for nothing that Britain recently named its leading criminal lawyer, Sir Stafford Cripps, as ambassador to the Soviet capital.

* * *

Frankness First

Kitchener Record

We are more convinced than ever before that F. D. R. stands for—Frankness, Determination and Realism.

* * *

Refused to Move

Edmonton Journal

Acting under authority of the Provincial Relief Act, Edmonton is trying to move a few families to country homes, where, if they so wish, they still may live on relief funds supplied by the city, the province and the Dominion. Out of some 40 families recently notified that they would be moved to rural homes, 33 have objected and the city has cut them off the relief list.

Two classes of families have been affected by the city's action.

One group is composed of those who moved from rural areas to Edmonton, possibly attracted by city life or the higher scale of relief given here. The other consists of families which have been on the city's relief lists for 10, 11 and even 12 years, and whose heads give no indication that they are likely to become self-supporting.

The Mail-box

Don't Kill Business

Editor, The Financial Post:

I think you are doing a very good job through your articles and editorials in the matter of waking up the country and the Government as to the necessity of better organization for war purposes, but I think there is one point where we are in danger of making a serious mistake.

Government officials and newspapers alike have been hammering recently on the idea that the public should stop spending and save all their money for war certificates and war bonds. If the public takes this seriously we are in danger of killing the goose that lays the golden egg. England is doing nothing of the kind. Their leaders encourage "business as usual," which is not only good for morale but is sound economics.

It is quite true that war purposes call for heavy supplies of steel, wood and other materials and there is also a heavy call on skilled labor, but the best-laid plans will not enable war requirements to consume all the materials that can be produced in Canada or employ all the employable labor. Let the Government make up its mind definitely what is required for war purposes and place the orders. These orders will, of course, take priority over private requirements and will mean that production of certain goods will be curtailed simply because sufficient quantity of raw materials over and above war priorities could not be obtained. And the same would be true of labor, but if government requisitions are placed and in course of being met and there is still available material for private purposes, it should be used to maintain private consumption.

It is of the utmost importance that everybody shall continue to produce to the maximum after providing for government requirements. We do not want a voluntary depression in wartime. On the contrary, we want the highest possible national production if we are to provide an adequate basis for necessary taxation.

MANUFACTURER,

London, Ont.

Week in Business

Interest Now Centred On Ottawa Conference

Business Ready to Support Suggestions Leading to Greater Government Efficiency — Lease-lend Arms Plan Causes Speculation

Businessmen all over Canada are watching the Sirois Report conference which opened in Ottawa this week.

Constitutional questions are of interest in so far as they are likely to affect trade and industry as well as the general administration of the country. Suggestions that will work for greater unity, more efficiency in government, elimination of useless duplication of services, and lower taxation will meet with the support of business.

In most quarters Canadian unity is considered of more importance than provincial autonomy. The Sirois report in general accordingly has met with the approval of many financial and businessmen who have gone on record to this effect.

* * *

Request of President Roosevelt that Congress authorize him to lease or lend war equipment and munitions to foreign nations fighting the Axis powers is causing some speculation as to its possible effect on Canadian war industry. It is felt that if Great Britain can lease or borrow enough goods necessary for her war effort in the United States, there will be little incentive for her to buy from Canada, at least on any greater scale than that obtaining at present. Some people are wondering if it will check expansion of industrial plants now working on war orders. It is thought the whole matter will be subject to adjustment between Canada, the United States and Great Britain. Opinion is expressed that before the war is over all the war equipment the three countries can produce will be wanted.

* * *

Meanwhile war work is proceeding on an active scale. Enquiries in informed quarters regarding the steel situation brought the opinion that with present controls and increased production in sight for next summer, the supply situation was fairly satisfactory as long as imports could be obtained from the United States at or near present volume. This, of course, does not affect the foreign exchange angle of the situation as steel imports from the United States, no matter how readily available they are, have to be paid for in American dollars.

* * *

Programme to train 100,000 workers for war work by a three months course made available by the co-operation of the Government and industry is designed to correct the shortage of skilled labor. Present indications are that the number of applicants will be at least equal to the number of openings. One difficulty met with is the frequent changes from making one class of article to another. Emphasis may be at one time on certain types of ammunition and then switched to something else. This is a situation the training plan will have to face.

Retail trade generally continues active for the time of year.

Business Indicators

Current business active. D.B.S. weekly index for first week of January slightly above previous week and well above last year.

Railway carloadings and gross traffic earnings for first week of year substantially higher than year ago.

Livestock—Cattle and hog sales for December and whole of 1940 heavier than in previous year.

Sugar grindings in four weeks ended Nov. 30 lower than in 1939. Total for year up 5%.

Employment index at beginning of December slightly below previous month but 13% above 1939 level.

Exports in November and 11 months of 1940 substantially higher than in 1939.

Retail sales index for November 15% higher than in 1939.

Trend of business shown by The Financial Post Business Index and following key factors, new items for the week being marked thus ▪.

TREND OF BUSINESS—	Jan. 4	Dec. 28	Dec. 21	Dec. 14	Jan. 6/40
Weekly index of business, D.B.S.	107.7	107.3	109.6	108.7	109.0
Commodity prices index no.	84.3	84.2	84.2	84.3	82.3
	Nov.	Oct.	Sept.	Aug.	Year Ago
The Financial Post business index	*153.4	151.7	147.4	142.9	129.0
▪Retail sales index no.	95.7	93.9	90.9	93.6	83.7
Dept. stores sales index no.	97.6	92.4	89.2	89.1	81.8
Wholesale sales index no.	122.6	133.8	124.2	115.1	107.8
Country store (% change pr. yr.)	+15.4	+3.6	—10.7	+9.8	—2.1
EMPLOYMENT INDEX Nos., D.B.S.	Dec. 1	Nov. 1	Oct. 1	Sept. 1	Year Ago
▪All industries	139.1	139.2	136.2	131.6	122.7
▪Manufacturing	144.7	144.6	143.8	138.4	122.2
▪Wage earners, no. 000's	....	....	2,867	2,805	2,545
Living costs weekly budget	....	$18.14	$17.87	$17.82	$17.77
			Jan. 1 to date		%
RAILWAYS	1940-41	1939-40	1940-41	1939-40	Change
▪Carloadings (week Jan 6)	43,132	38,858	......	......	+11.0
▪C.N.R. gross (week Jan. 7)	$ 4,422,889	3,620,164	......	......	+22.2
▪C.P.R. gross (week Jan. 7)	$ 3,140,000	2,434,000	......	......	+29.0
C.N.R. net revenue (Nov.)	$ 5,524,224	4,974,604	38,733,861	17,080,805	+126.7
C.P.R. net revenue (Nov.)	$ 5,072,617	5,592,275	30 833,231	24,141,850	+27.7
IRON AND STEEL—Nov.—					
Pig iron production (tons)	109,576	87,822	1,058,417	661,562	+60.0
Steel ingots and castings prod. .... (tons)	176,113	147,182	1,825,752	1,234,765	+48.0
AUTOMOBILES—(Number)—					
Passenger Cars:					
Domestic sales* .. (Nov.)	7,622	7,613	92,992	82,250	+13.1
Factory output .. (Nov.)	10,814	9,882	98,473	97,315	+1.2
Trucks and Buses:					
Domestic sales* .. (Nov.)	1,525	1,601	27,005	22,653	+19.2
Factory output .. (Nov.)	12,807	6,874	101,147	41,023	+146.6
Financing:					
Used .... (Nov.)	$ 2,931,998	2,397,918	39,035,790	32,725,275	+19.3
New .... (Nov.)	$ 2,538,480	1,908,245	30,766,203	25,742,344	+19.5
CONSTRUCTION—					
Contracts awarded . (Dec.)	$ 16,918,300	9,429,200	346,009,800	187,178,500	+84.8
Cement prod., bbls. (Sept.)	909,000	852,000	5,328,804	4,424,691	+24.9
AGRICULTURE—					
▪Flour prod., bbls. .. (Nov.)	1,588,428	1,960,429	15,178,883	15,287,008	—0.7
Flour exp., bbls. .... (Nov.)	682,718	572,810	6,625,291	4,439,458	+49.2
Wheat exp., bush. .. (Oct.)	9,658,887	16,848,847	110,129,700	107,856,939	+2.1
▪Cattle sales▴ .... (Dec.)	86,728	72,143	1,149,255	1,081,976	+6.3
▪Hog sales▴ .... (Dec.)	785,335	432,805	5,590,366	3,701,061	+51.0
SEA FISHERIES—‡					
Catch cwts. .... (Nov.)	898,400	735,100	10,348,650	9,133,850	+13.3
Landed value ...... (Nov.)	892,800	777,400	16,843,800	15,884,050	+6.0
NEWSPRINT—					
Production, tons ... (Nov.)	282,344	288,726	3,165,906	2,628,610	+20.4
Exports, tons ...... (Nov.)	276,586	253,997	2,979,336	2,403,432	+23.9
MINING AND OILS—					
▪Coal prod., tons ... (Nov.)	1,822,563	1,740,879	15,787,856	14,206,872	+11.1
▪Coal imports, tons . (Nov.)	1,479,922	1,947,631	16,723,995	12,726,987	+31.3
▪Gold prod., fine oz. (Oct.)	467,441	433,086	4,402,782	4,234,846	+3.9
Crude oil prod., bbl. (Sept.)	841,752	720,866	6,268,565	5,787,117	+8.3
Crude oil imp., bbl. (Oct.)	5,102,000	4,745,900	35,402,970	31,400,500	+12.7
ELECTRIC POWER OUTPUT—(November)—					
Total monthly, 1,000 kw.h.'s	2,524,860	2,601,536	27,495,907	25,815,272	+6.5
FOREIGN TRADE—♦					
▪Imports .... (Nov.)	102,283,687	84,561,211	979,648,243	678,946,196	+44.2
Exports .... (Nov.)	118,404,151	98,490,366	1,094,506,932	833,948,985	+31.2
OTHER INDUSTRIAL FACTORS—					
Dressed lumber exp.: 1,000 bd. ft. ...... (Nov.)	231,532	138,924	2,261,389	1,962,894	+15.2
▪Shoes, prod., pr. ... (Nov.)	2,230,387	2,623,356	24,216,363	23,230,257	+4.2
Cotton consump., lb. (Nov.)	16,236,976	15,978,183	175,113,097	114,839,736	+52.5
Raw rubber imp., lb. (Oct.)	18,056,804	11,877,283	86,140,318	60,631,009	+42.0
Cigarette cons. No.† (Nov.)	686,868	632,938	6,997,004	6,613,812	+5.8
▪Sugar manufactured .. lb.§	164,005,409	190,390,511	1,050,570,832	999,310,880	+5.1
FINANCE—					
Bank debits† .... (Nov)	$ 3,049,322	2,930,346	31,229,127	28,560,485	+9.3
Bond sales† .... (Dec.)	326,704	72,719	2,277,999	1,441,751	+58.1
Life insurance sales (Nov.)	32,899,000	33,034,000	331,490,000	333,967,000	—0.74

*D.B.S. All Canada figure covering over 90% of the Canadian total.
†000's omitted. §For four weeks to Nov. 30, 1940. ♦Gold excluded.
‡Unrevised figures covering N.S., P.E.I., N.B., Que., B.C. *Final.
▴Total at yards and plants.
New items for week marked ▪

ELECTRIC POWER PLANTS
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Gasoline, Diesel and Natural Gas
ATLAS POLAR COMPANY
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MacMillan Urges More Lumber

Sees Other Factors Offsetting Drop in U. K. Demands for 1941

From Our Own Correspondent

MONTREAL.—H. R. MacMillan, former Timber Controller, still holds the opinion of the advisability of operators increasing their production this year, even in view of decreased British buying, according to a statement made by T. Nicholson, Deputy Timber Controller, in an address before the Nova Scotia Forest Products Assoc. Briefly his main reasons for this opinion are as follows:

The Canadian Government will probably be buying 250 million feet in 1941 for munition plants, munition boxes and the air training plants; stocks of lumber across Canada are low; markets in the United States are good and there seems nothing to fear from the British situation at the moment.

Thus, added Mr. Nicholson, if costs are kept in line and operations conducted efficiently, there should be a place for our total production.

British Buying Drops

The control, Mr. Nicholson further said, had no explanation of the reason for the reduction of British buying, which had resulted in their purchases from the Maritimes being cut by one third, and from British Columbia by one half. He believed that it was due to a combination of shipping and financial problems, and to there being fairly heavy stocks of lumber in England. Lumber was being cut in Finland and Russia and there was the possibility of an agreement by Britain with Russia. Shipping would be a problem, however, and probably could not be made for some time.

All Canadian stocks of dried spruce lumber have been taken over by the Timber Controller, according to the Maritime Lumber Bureau. At present a trans-Canada monthly rail movement of 50 million feet of lumber for export has been attained.

Logging operations in the Maritimes, the Bureau reports, are progressing normally. Production of pulpwood and pitprops is lower than last year, as demand for pulpwood is weak, and the British Timber Control has curtailed purchases of pitprops.

Automobile Sales Lag Overcome

Year-end Pick-up Volume Is Reflected in Latest Returns

Lag in motor vehicle sales in Canada in the late summer and early fall virtually disappeared in November, and a moderate increase in returns for the full year appears assured.

Sales of new cars, trucks and busses in November held up to the 1939 level, showing a gain of 7% in value and a decline of less than 1% in number. In the preceding four months, sales showed drops of 6 to 18% in number, and 8 to 13% in value.

Cumulative totals for the first 11 months of last year are 14% ahead of 1939 in number, 18% in value. Sales of approximately 120,000 units are valued at just under $136 millions, excluding deliveries to the Government for war purposes.

Regional Trends

Trends in different sections of the country varied considerably, especially in regard to passenger cars. Increases were shown in the Maritimes, Quebec, Ontario, and British Columbia, but the sales in the Prairie Provinces were down in contrast to the marked gains reported for that region earlier in the year.

Passenger car sales in eastern Canada were moderately up in November, it is shown by Canadian Automotive Trade's report on registrations in that territory.

New Passenger Car Registration
In Eastern Canada
Twelve Leading Makes for the Month

	November 1940	November 1939	Year to Date 1940	Year to Date 1939
Chevrolet	1,312	878	13,866	10,325
Dodge	1,054	713	11,015	9,617
Plymouth	841	621	9,892	8,614
Ford	358	806	9,532	8,951
McL.-Buick ...	313	371	3,832	2,963
Pontiac	224	124	4,406	3,599
Oldsmobile ...	180	152	2,919	2,680
Hudson	143	226	2,595	2,458
Chrysler	141	224	2,460	2,176
Studebaker ...	89	126	1,807	1,825
Mercury	75	205	2,343	2,178
Nash	72	34	447	535
	4,802	4,480	65,114	55,921

Expect to Sell All 1940 Salmon

B. C. Packers Head Finds Sales to Britain Large Last Year

From Our Own Correspondent

VANCOUVER.—There will be no material carryover from the 1940 canned salmon pack in British Columbia according to John M. Buchanan, general manager of B. C. Packers, Ltd.

Mr. Buchanan reports that sales to the United Kingdom, despite wartime restrictions, will be as great if not greater than last season, the only sizes not taken so far being the chum quarter-pound cans, a comparatively minor item.

Sales of all grades of canned salmon may total $6 millions this year.

The canned herring situation continues unsettled, although permits have been issued by the British Government for about 500,000 cases, worth about $2 millions. This is the biggest pack ever produced, but less than had been anticipated earlier in the season.

Meanwhile Japanese have been shut out of the British market so far as the 1940 red salmon pack is concerned, and they are trying to dispose of their product in the United States, where there is strong resistance to the point of sending protests to Secretary of State Cordell Hull by west coast fisheries authorities.

The Japanese pack is worth about $8 millions.

Extension of Import Ban Not Expected Immediately

From Our Own Correspondent

OTTAWA.—Extension of the restrictions on American, non-war essential imports is not expected in the immediate future.

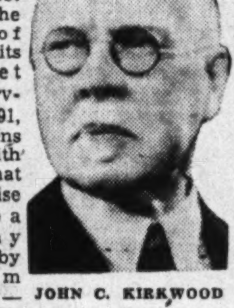
At the present time the National Revenue Department is busy consolidating the ground already occupied by the permit system brought into operation under the November budget. A great deal of administrative work must be done by way of interpretations and regulations.

Later on it is expected that further measures restricting imports will be authorized.

Meantime reports to the effect that an embargo will be imposed on the importation of printing machinery from the United States are denied. This question has never arisen at Ottawa and no action of this kind is in contemplation.

Keeping Posted . . .

By J. C. KIRKWOOD



JOHN C. KIRKWOOD

The public likes to growl. You see this when you read the articles on Toronto's street railway in the Jan. 15 issue of Maclean's Magazine. Thus, when the city first took over the business of operating its own street railway service in 1891, the citizens growled, with the result that the franchise was sold to a company headed by William Mackenzie — afterward Sir William Mackenzie. This company paid the city $1,453,788 for the property, and 30 years later the city paid the Mackenzie company $12 millions to get back its street railway. When the railway was electrified in 1891, it put many horses out of business, and horse owners and providers of feed for horses growled. Then many set up a howl because electric cars went faster than six miles an hour—they saw death and misadventures resulting from the accelerated speed. Again, when fare boxes were fixed to positions at street-car entrances, the public protested. They protested, too, against operation of street cars on Sunday.

This article in Maclean's about the "T.T.C." — Toronto Transportation Commission—is interesting. It tells the story of Toronto transport by horse-drawn 6-passenger omnibuses in 1849, when Toronto's population was 24,000, to the swift, commodious, ultra-modern and smart cars of today, operating on a 45-seconds' schedule during rush hours. Despite what some growlers say about it, Toronto's service has been described to be "the best street railway system in North America."

* * *

The Quebec Market

The Quebec market receives such attention in the current issue of Hardware and Metal for Jan. 4. This issue is this publication's Annual Quebec Number, and several of the articles appearing in it are in French. The manufacturing industries in Quebec number 8,655 plants, and their payroll for the last year of record—1938—was over $213 millions. This year, with much war production under way, retail trading has been much stimulated. The gross value of manufactures in Quebec in 1938 totalled $1 billion. Pulp and paper stood first among the individual industries, and accounted for 43% of total production. The value of tobacco products approximated 87% of the Dominion total; cotton yarn and cloth, 69%; women's factory clothing, 68%; leather boots and shoes, 60%; railway rolling stock, 47%. Second to pulp and paper is non-ferrous smelting and refining. Cotton and cloth hold third place.

The leading industrial centre is, of course, Montreal, which, in 1938, reported 48% of the entire provincial output. Runners-up are Quebec and Three Rivers.

* * *

Big Business

In an Ontario city is a grocer whose sales exceed $100,000 per annum—this in a single store. He was in Toronto recently, on a visit. Here's what Canadian Grocer has to say about this man: "Before he left for home he visited three or four of the leading stores for new ideas. He compared what these men were doing with his own methods—how they kept records of the progress of the business, for example. This man has been in many centres all over Canada and the United States; he has even been to Europe to find out how the other fellow does it in comparison with his own methods. Maybe that's the reason he has a business in the 6-figure column."

* * *

Nylon

A new word—born into the public's consciousness in 1940 — is "nylon." It is a word which has been much used in the conversations of women, when they talk about stockings and "undies." But nylon is not just for feminine things. An article about nylon was printed in the C-I-L Oval—a "house" publication of Canadian Industries Limited. This article says that textiles by no means end the possibilities for nylon. Nylon fibres can be made coarse and strong enough for bristles, or even rods, and so can be used in the making of all kinds of industrial and miscellaneous brushes; also for fishing leaders, strings for tennis rackets, surgical sutures, and musical instrument strings.

* * *

Dream Girls

"Girls Men Dream About" is the title of an article in the January Chatelaine—by that perceptive person, Lotta Dempsey. "Brittle sophistication, metallic smartness, can go by the board now," avers Miss Dempsey; and she proceeds, "It's the softly feminine woman — she of delicacy, charm and tenderness—who will be the girl men dream about these darksome days." Men love soft colors, womanly lines, flowers, fragrance, illusion—so declares Lotta, whose sharing of her research studies among men should be welcomed by sophisticated, metallic women as well as by the softly feminine woman. Doubtless men, too, will be glad to have guidance toward women who will make them satisfactory wives.

Quebec Revises Income Tax

From Our Own Correspondent

MONTREAL. — Provincial Treasurer J. A. Mathewson has announced a new sliding scale of provincial income tax to supersede the former flat 8% rate, against which much objection had been raised.

The new rates range from 4% to 12% of the net amount of income tax payable to the Dominion Government on 1940 incomes.

This is the second change made during the brief history of Quebec's personal income tax. Rate paid on 1939 incomes was 15% of the amount paid to the Dominion Government in income tax.

When Dominion imposed increased income tax for war purposes the provincial government announced its intention to avoid profiting from the increase and reduced its levy to a flat 8%.

While the amount the province would collect remained stationary under the 8% levy, certain inequalities resulted to the individual. Mr. Matheson states that the former tax placed an unfair burden on the "small man" and the new scaled rate would yield the same to the province as the 8% levy.

"Sorry—but we won't be
getting any more of these."

Help build
up the
Sinews of
War.

BUY SAVE WAR SAVINGS CERTIFICATES

The shopping pot in Canada is being stirred up constantly by restrictions and tax impositions incident to war, with the result that many consumers are obliged to switch to other brands entirely new to them. It is reasonable to assume that the better advertised products will be their first choice. More buyers, with more money to spend is the prevailing condition in the Toronto market today, and

TORONTO IS A "TELEGRAM" CITY

THE EVENING TELEGRAM
Largest Classified Linage in Canada
TORONTO CANADA
MONTREAL: E. R. CHOWN, Dominion Square Building

Manager Named By Motor Firm

William S. Roberts is Appointed By General Motors of Canada

W. S. ROBERTS

The post of vice-president and general manager of General Motors of Canada, vacated by Harry J. Carmichael to aid in Canada's war supply programme, has been filled by appointment of William S. Roberts of Linden, N. J. Mr. Carmichael resigned from the position to become assistant chairman under H. R. MacMillan of the Wartime Requirements Board, which directs the planning and co-ordination of war industrial output.

Mr. Roberts takes over direction of both the regular and war supply operations of General Motors of Canada after serving the parent company for nearly 20 years, chiefly in the field of plant construction and administration.

Native of Virginia

A native of Virginia and a graduate of the Virginia Polytechnic Institute. Mr. Roberts gained his first experience in the automotive field on the staff of the Westinghouse plant in East Pittsburgh. He was engaged in this company's early production of auto starter and lighting equipment. He left to serve in the last war as an officer in the United States Signal Corps, but returned to Westinghouse after the war and remained until 1920.

He joined the staff of General Motors Corp. in 1922, being attached to the Chevrolet division. He was assigned mainly to plant construction and management, one of his principal jobs in this field being the erection and initial operation of the important General Motors plant in Sao Paulo, Brazil. He steps into his new duties at the main plant of General Motors of Canada at Oshawa, Ont., after directing the construction and administration of the G.M. plant at Linden, N.J., which has a capacity of 140,000 cars a year.

Quebec Cotton Mill Ordinance Issued

48-hour Week Established For All Cotton Textile Concerns

From Our Own Correspondent

MONTREAL. — Quebec's Fair Wages Board has issued a new ordinance establishing a 48-hour week for all cotton textile establishments in the province, with provision for a 10% wage increase for overtime and a 5% wage increase for night work. The order becomes effective Jan. 27 for a period of 12 months.

Terms of the new ordinance have met with the unanimous approval of employee representatives at the Minimum Wage Board conciliation meetings.

Employers are not bound to determined rates or percentage groupings under the new ordinance, but have the right to fix wages for different jobs and loads according to the particular needs of the organization affected.

Distillers Corp. Buys U. S. Liquor Firms

From Our Own Correspondent

MONTREAL. — Distillers Corp. Seagrams Ltd. has acquired the assets of three large American liquor concerns, including the trademarks, trade names and contracts. The three companies acquired, all jointly owned, are Brown-Vintners Co. Inc., Wilson Distilling Co. Inc. and the Hunter Baltimore Rye Distillery Inc.

TRENDS IN THE FIELD
OF INVESTMENT

Facilities for studying the frequent changes in the field of investment and the status of securities are available to this organization through its branches. These facilities are at the disposal of our clients at any of our offices.

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Business Established 1889
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Montreal Winnipeg Vancouver Victoria NewYork London,Eng.

The Bell Telephone Company
of Canada
CAPITAL STOCK

These shares now offered form part of the securities formerly held by residents of the United Kingdom, later vested in the British Government, and now offered for sale in Canada.

The proceeds from the sale of these shares will be used in Canada by Britain for the purchase of war material.

Price: $158.50 per share net; yield 5.05%
Present Annual Dividend $8.00 per share

Descriptive circular gladly furnished upon request.

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THE K-line INTERNATIONAL TRUCKS

All-Truck Trucks . . . *Better Than Ever!*

THESE trucks are new to you but they have already successfully endured hard lifetimes of hauling service in every type of test on all kinds of roads, and months of gruelling punishment over the great International proving grounds. New trucks are not a matter of the calendar with International. Great trucks like these are the result of constant improvement in design and construction.

The K-line Internationals represent the climax of such a program of improvement. We offer them to truck buyers with full confidence that they will increase the efficiency of war-time transportation. K-line features include the Green Diamond Engine; double-anchor hydraulic brakes; long, easy-riding springs; sealed-beam headlights; safety glass throughout; and Safety Comfort-Cab.

Phone any International Truck dealer or branch for full details . . . or write for a catalog.

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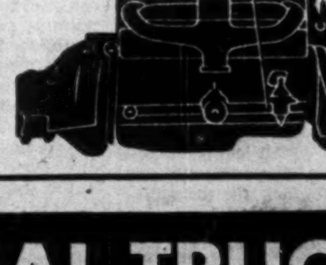
Hamilton Ontario
Truck Factory Located at Chatham, Ontario

See the Green Diamond Engine

If you're a truck user, the name Green Diamond Engine will soon be linked in your mind with greater power and performance, combined with greater fuel economy. It's exclusively International!



INTERNATIONAL TRUCKS

Brake on War Buying, Bren Deal Ditched

(Continued from page 1)

cellation of the original contracts (Canadian and British). Any profits there may have been under the original contracts will be credited to the Government and all amounts owing to the company will be credited to it.

The company will then be credited with the amounts it would have earned under the new contracts prior to Oct. 31 on all guns delivered up to that time. The balance will then be struck and the transaction completed. From Oct. 31 onward, settlement with the company will be made on the new basis.

Output Not Stipulated

The old contracts were on the basis of 7,000 guns for the Canadian Government and 5,000 guns for the British Government. The new contracts, it is understood, stipulate no total amount of output. Payment will be made on the basis of guns produced and accepted by the Government.

The new contracts declare in their texts that "the amounts to which the contractor will be entitled in respect of the number of Bren guns and spare parts called for by the original Bren contracts will be less than the amounts which would have been payable under the original Bren contracts." In other words, the new contracts are more favorable to the public treasury than was the original contract.

Of the two new contracts, the first deals with capital account, the second with production.

Government Owns Plant

The first one declares that title to all plant additions and equipment of the company paid for by the Government is to be vested in the Government. The land on which such additions have been or are being built is to be leased to the Government for a period to extend five years beyond the close of the war at a price of $1.

Every piece of government equipment installed in the Inglis plants is to be distinctly marked as the property of the Government and must not be used for other than government work except by the express permission of Ottawa. The permission, in fact, must be in writing and would, therefore, be a matter of record, producible in Parliament.

The Government will pay the actual net cost of the new plant, additions to it, and of the equipment. To this net cost will be added sales taxes and customs duties and the out-of-pocket cost of rearranging the machinery.

The cost of the new plant and equipment is estimated at $13 millions, of which some $1,500,000 is for new buildings. On this, and in addition to the charges on the Government already noted, the contract stipulates that the company is to receive, as final and complete compensation, an engineering fee. The fee is in payment for the designing, constructing and equipping of the new buildings and amounts to $150,000, which is a little more than 1% of the capital involved.

Production Contract

The production contract, in essence, is purely a management arrangement between the Government and the Inglis company. The Government now owns the plant and equipment financed by the Government, and pays the Inglis company a management fee to operate the business.

The fee is based on individual guns and parts. The fee, it is understood, varies as between guns, extra barrels and extra magazines.

No fee, however, is payable to the company on account of the spare parts unless the production value exceeds 5% of the total costs of complete guns. Whether or not it is likely to do so is not clear from information now available. Quantities have not been divulged. But with respect to these spare parts, the fee payable is understood to be 3% of the costs as defined in the contract.

Until the full contract provisions with respect to these fees are known it will not be possible to calculate the profitability of the contract. If, however, the fee on completed guns is the same as on the parts, the income of the management would be 3% and out of this income substantial payments for actual management would have to be made, thus reducing the net profit.

Costs Defined

In arriving at the cost upon which the fees are payable, the management contract declares that the cost shall include the reasonable outlay upon all work. Cost will include manufacturing expenses, miscellaneous direct and indirect expenses and certain license fees and technical services which may be required.

To safeguard this clause, the contract specifically names items which cannot be included in the cost. These items include:

Interest on capital or on loans.

Undue or unreasonable compensation to officers or employees.

Advertising and selling expenses.

Salaries or other remuneration of the president, vice-president, general manager, secretary, treasurer, and payments to any director as such.

In a word, the purpose of this clause is to exclude from production cost all straight management charges.

Calculated in this way, the contract entitles the company to a piece rate fee of so much per gun or spare part, the costs of which as above defined have already been charged to the Government.

Repercussions Start

From Our Own Correspondent

OTTAWA.—Announcement that the Bren gun contract has been cancelled and replaced by new agreements reducing the cost of the guns to the public treasury, created a sensation in Ottawa.

The announcement is but the first rumble of what promises to be a severe political storm. The reasons for it are obvious.

The original contract was the subject of prolonged and bitter controversy in Parliament and the country. Throughout this controversy the Government chose to defend the original contract. In defending it, more particularly in Parliament, every weapon in the large and indiscriminate armory of parliamentary tactics was brought into play.

The House of Commons' enquiring committee, for example, in 1939 was talked out of existence by Government spokesmen. Likewise, the famous Davis Royal Commission report on the contract was grossly misrepresented as a "whitewash" by Liberal party publicity men. They somehow or other got advance copies of the report and presented the press correspondents with a most misleading summary just on the edge of press time.

Apparently the original contract became, in the view of the Munitions and Supply Department, completely intolerable last fall. The original contract had been made by the National Defense Department in negotiation with the John Inglis Co.

As a result of the Davis enquiry, the making of such contracts was taken away from the Defense Department and vested first in the Defense Purchasing Board, later the War Supply Board, and at last the Munitions and Supply Department.

The Supply Department, as the war effort developed and expanded, found itself saddled with the responsibility of making scores and scores of contracts for production of a similar kind to that of the Bren gun. It was evidently not prepared to use the Bren gun contract for a model. In fact, it worked out a form of contract much more economical to the public treasury than the Bren contract.

Uniformity Required

No doubt other contractors felt that they should either work for the Government upon terms as favorable as the Inglis company or that the contract with that company should be brought into line with the general contract policy. As time passed, the Bren contract doubtless became a sore spot in the otherwise smooth functioning contract division of the Munitions and Supply Department.

Moreover, since the original Bren contract had been made, the task of supervising and drafting contracts had been turned over to a staff of lawyers and accountants. Most of them are dollar-a-year men and all of them have entered the public service since the outbreak of war. They had none of the parent's passion for his child. Nor had Hon. C. D. Howe who, while a member of the Government that entered into the original contract, took no part in the negotiation of it.

These, it is believed, were the considerations which impelled the Munitions and Supply Department last October to perform a major operation on the Bren contract. It was cancelled and replaced with new contracts, in line with the prevailing war policy.

Change Kept Quiet

Ordinarily the Government would make such a change under the War Measures Act. But this statute provides that all orders passed under it must be tabled in Parliament. Most of them, indeed, are printed in the Canada Gazette.

While prepared to cancel and replace the contract, the Government quite evidently was not prepared to face the job of explaining such a course to Parliament, then due to meet in five days time. The new contract, it appears, was based upon the War Appropriation Act and the Department of Munitions and Supply Act, neither of which makes publicity compulsory. The change was made and the Government sat tight.

Information Withheld

As Parliament proceeded, questions were asked and answers were not given. Ministers of the Crown who must have known the full detail of the change discussed the Bren gun situation in the House of Commons. But never, by the slightest phrase or suggestion, did they indicate that the old contract had ceased to be.

Hon. J. L. Ralston, Minister of National Defense, gave general facts with respect to the Bren gun situation to Parliament but was silent on the contract.

On Nov. 20, Hon. C. D. Howe, Minister of Munitions and Supply, made a long speech to Parliament and covered the Bren gun situation thus:

> "Prior to the outbreak of war, contracts had been awarded for the Bren gun, 7,000 on Canadian account and 5,000 on British account. Actual production on that contract started last April and substantial quantities of guns and extra barrel assemblies have been delivered. Arrangements have been made to increase the production of Bren guns very largely, and added production is coming in each week."

It is worth recalling that the debate in which Mr. Ralston and Mr. Howe took part was specifically arranged by the Government to inform Parliament and the country about the war effort. Both ministers must have been aware that the change in the contract had taken place. Neither betrayed this knowledge.

This prolonged silence on a very important act of government is regarded here as the most amazing feature of the whole proceeding.

It is the one that will come in for most discussion when Parliament reassembles next month.

Ministers Disagree

The other notable point in Ottawa's reaction to the announcement is the absence of agreement among ministers with respect to what has been done. The Munitions and Supply Department originally was quite frank in saying that the old contract had been cancelled. Officials let it be known that in the actual language of the new contracts it is stated that the terms of new are an improvement upon the old—public money is to be saved. The old contract is wiped out.

But Hon. Ian Mackenzie, Minister of Pensions and National Health, who was the Minister of Defense at the time the original contract was negotiated, promptly issued a statement denying point blank that the new contracts were a termination of the old. On the contrary, Mr. Mackenzie declared, the new contracts were "a tremendous enlargement" of the old arrangement.

The Government then issued a statement, over the signature of Hon. Angus Macdonald, Acting Minister of Munitions and Supply, saying that the new contracts had been "substituted" for the old. This statement, by implication, argued that the changeover had been made necessary by the expansion of the Inglis plant and not because of the faultiness of the original contract.

It would be wrong to suggest that there is any actual resentment in Government circles because of the announcement coming as and when it did. Cabinet ministers realize that the longer the delay in making the announcement, the more difficult would the explanation be. Indeed, some ministers are completely at a loss to know why the announcement was not made promptly last November.

Moreover, it is thought somewhat fortunate that the announcement should come now when Parliament is disbanded and other and more important events are crowding on to the stage. The Bren contract will be stale news by Feb. 14 when Parliament meets—so the ministers hope. Even so, it is conceded, explanations and apologies will be in order.

"... Blotted Out as if It Had Been Written in Water"

Bren Gun Episode Ends

Winnipeg Free Press

In replacing the Bren gun contract the Government has added a devastating footnote to the long and embittered dispute which for nearly a year held the spotlight of public discussion from one end of the country to the other.

The original contract was a cost plus contract whose ultimate cost to the treasury was never officially established. That it was highly profitable was never seriously disputed. Attempts to justify it took various forms—none of them convincing. Expediency, urgency, the need of co-operating with the British war office and so on, these were the stock arguments advanced against critics of the contract, of whom this newspaper was one.

Public criticism broke in August, 1938, when the terms of the contract became known. On Sept. 7, Mr. Justice Davis, of the Supreme Court, was appointed a one-man commission to investigate the contract and he made his report on Dec. 29.

For reasons which have never been explained, the press announcement of the Davis Report emanated from party sources and represented the findings as a "whitewash." Nothing could have been farther from the truth. Actually, Mr. Davis did not pass judgment on the contract or the manner in which it had been brought about. He left this for the Government and Parliament to do.

The chief recommendation in his report, by inference a complete condemnation of the manner in which the contract had been negotiated if not the contract itself, was that the letting of munitions contracts be taken away from the National Defense Department and given to competent persons. Out of this recommendation came the Defense Purchasing Board, later the War Supply Board and the present Munitions and Supply Department which has cancelled the original Bren contract.

Throughout the controversy and more particularly in the later stages, a group of Liberals headed by Mr. G. G. McGeer, of Vancouver-Burrard, strenuously defended the contract. They supported Maj.-Gen. LaFleche without qualification or reserve. But the high light of the dispute in Parliament was the evidence given by Maj.-Gen. LaFleche before the Public Accounts Committee on May 24. There can be few parallels for this extraordinary display of bellicosity. He referred to "hammering criticism." The department was being "hounded" and "humiliated." These "traitorous" assaults were weakening Canada's defenses and the defenses of the Empire. Our rearmament was being "dangerously hampered," our workers were being "robbed" of work, and all because of a "dastardly, traitorous attack" upon his department. In defense of the country, officers (like himself) were being insulted and humiliated. He defied his critics. "I am throwing that in the teeth of all the liars," etc., etc. It was a "dastardly betrayal" of Canada. The critics had "sold Canada, sold out Canada's defenses and the defenses of the Empire."

These and similar excesses of vituperation by the men who put through this contract and the smart police court stratagems of the members who blocked action, look strange today. The McGeers and the LaFleches exhausted a well-furnished armory of praise in lauding the contract. They fell upon its critics with an abandoned fury.

The public will now await with considerable interest their comment upon the cancellation of this precious contract and upon the announcement that new contracts more favorable to the taxpayers have replaced it. This contract which they lauded, whose critics were knaves or fools, has been blotted out as if it had been written in water—and by the very Government that made it.

Tell the Facts

The Windsor Daily Star

Not until every fact having to do with the Bren gun contract, its granting and its cancellation, has been spread frankly and openly on the record, will the people of Canada be satisfied.

The Government must explain immediately what were the factors which impelled it to cancel a contract in defence of which it all but staked its political life.

There will be but one thought in the public mind. Any contract as pure as this one was represented to be, is not going to be dealt with in such a manner. The fact that the cancellation goes back to the very beginning arouses the inevitable suspicion that discovery has been made that, from the start, all was not right.

In fact, all the old suspicions rise again, all the charges which led to the setting up of a Royal Commission which, according to the Government version, absolved everyone from blame, but which actually did nothing of the kind. It simply made a negative finding that "no evidence" was found of dishonesty on the party of anyone in the Government, but left the merits of the contract to Parliament for decision.

It was a contract conceived in darkness and born in secrecy. That, of course, does not prove that it was sinister, but the Government, in view of the latest developments, will now be called on by the Canadian people to prove beyond a shadow of doubt that all was honest and aboveboard.

Parliament Not Allowed to Know

The Toronto Evening Telegram

Described to the people of Canada by supporters of the Government as "the best contract ever negotiated" the much discussed Bren gun contract has been cancelled as from the beginning of production and a new contract substituted. Under the new contract the Government asserts that it will not only be able to exercise more intimate control over production, but that it will effect a considerable saving.

The announcement of the new contract contains no explanation of why, if the original contract was the best ever negotiated, the present contract is made retroactive to the beginning of production. Nor is this the only explanation which is lacking. There is no attempt to explain why, though the new contract was dated October 31, no mention of it was made to Parliament which opened on November 7 and continued to sit until December 6.

Those New Contracts For the Bren Gun

The Ottawa Journal

Verbiage of what Mr. Churchill calls "officialese" must not be permitted to obscure what the Government has done in its new Bren Gun contracts.

The first fact, as Minister of Munitions Macdonald admits (after first denying something that had not been stated), is that the original Bren Gun contract has been obliterated, replaced by two new contracts that are completely retroactive. In other words, this is not a case of extension of an old contract, or of revision or amendment of an old contract; it is a new deal entirely. All previous commitments and undertakings are cancelled; blotted out; with new contracts covering production and capital expenditures put in their place.

The second fact is that the new contracts are (from the public standpoint and the war effort standpoint) better than the old contract. The Government will pay less for Bren guns.

Why the "Hush-Hush" About Bren Guns?

The Winnipeg Tribune

New contracts have been substituted for the original Bren Gun contract with the John Inglis Company, of Toronto, which was the object of such widespread criticism in 1938 and 1939, and led to the appointment of the Davis commission. This criticism, so far from being stilled, became overwhelming after the publication of the Davis report in 1939.

Government spokesmen today are anxious to deny that the original contract has been "cancelled," declared, instead, that new contracts have been "substituted" for it. This is hair-splitting. The meat of the matter is that the new contracts have been made retroactive.

Hon. Ian Mackenzie, then Minister of National Defense, boasted that the original contract was the finest of its sort ever made in Canada. Why, then, has it been found necessary to "substitute" new contracts for the old one and make them retroactive? Apparently Hon. C. D. Howe, the Minister of Supply, did not wholly subscribe to Mr. Mackenzie's view of the original contract, since he has now substituted new retroactive ones for it. Parliament will wish to know why this information was withheld from the members at last November's session. The original Bren Gun affair rocked the Government and so undermined public confidence in the Department of National Defense, as it was then, that it became necessary to put in a new Minister of Defense immediately on the outbreak of war.

Abandonment of the old contract and substitution of new ones should be all to the good. But the manner in which the "glad tidings" were withheld does not inspire confidence. The mystery and hush-hush suggests that politics are still allowed to intrude into the war effort.

A Calendar of the Bren Case

Feb. 26, 1936—Britain advises Canada that rights to production of Bren gun in Canada are available to the Canadian Government.

Sept. 17, 1936—Canadian Defense Department asks British War office for terms on which latter would participate in production of Bren gun in Canada.

Sept. 21, 1936—Stanley Nurse, employee of Cameron, Pointon and Merritt, stockbrokers, Toronto, offers to purchase out of receivership the property of the bankrupt John Inglis Company for $100,000 cash payable over 16 months and $150,000 in bonds.

Oct. 9, 1936—Major James E. Hahn, Toronto, introduced to Major General La Fleche, then Deputy Minister of National Defense, by Hugh Plaxton, M.P.

Oct. 19, 1936—Nurse offer to purchase Inglis property accepted by receiver.

Oct. 22, 1936—James E. Hahn, J. D. Cameron, broker, and Herbert A. W. Plaxton agree with Nurse to incorporate companies to take over the Inglis property.

Oct. 26, 1936—James E. Hahn, armed with letter of introduction from Hon. Ian Mackenzie, then Minister of National Defense, goes to England to secure arms contracts. He is accompanied by Hugh Plaxton, M.P., and Gordon Plaxton.

Nov. 10, 1936—Hahn is named a representative of the Canadian Government in England for the purpose of securing information on the possibility of making Bren guns in Canada.

Nov. 23, 1936—British-Canadian Engineering, Limited, (which subsequently took over the Inglis plant) is incorporated by Hahn and associates.

Dec. 5, 1936—Hahn reports to Hon. Ian Mackenzie the results of his Bren gun investigations in England.

Mar. 5, 1937—Order-in-council passed setting up Interdepartmental Committee to check arms contracts.

June 1, 1937—Hahn and associates, through Nurse, sell Inglis property to British-Canadian Engineering, Limited—that is, to themselves—for $1,400,030.

June 3, 1937—British-Canadian Engineering Ltd., acquires the right to use the name John Inglis Company, Ltd.

June 5, 1937—Capital stock of John Inglis Company, Ltd., increased from $200,000 to $1,500,000.

Jan. 5, 1938—Draft contract between Canadian Government and John Inglis Company for manufacture of Bren guns submitted to Interdepartmental Committee.

Jan. 24, 1938—Committee protests failure to call for tenders. Is told by Major-General LaFleche that Britain would not deal with any other firm than the Inglis Company.

Mar. 22, 1938—Canadian Government passes order-in-council authorizing signing of a contract with John Inglis Company for production of Bren guns. Parallel contract to be signed by British Government.

Mar. 31, 1938—Canadian contract with Inglis company signed.

Basis: cost plus 10% profit. Contract to run 5 years and 4 months.

Canada to pay two thirds and Britain one third, of cost of machinery which is to remain property of Canada.

Aggregate profit on two contracts set at $457,000; profit on Canadian contract, $267,000.

Company to get one quarter of difference between actual production costs per gun and preliminary "standard production costs" in addition to 10% profit.

Government to pay not only executive salaries, travelling expenses, legal fees, building rentals but also ten per cent profit on these and other similar items.

Estimated cost to Canada and Great Britain "about $7,000,000."

June 29, 1938—Copy of Canadian contract tabled in House of Commons.

July 1, 1938—Hon. Ian Mackenzie states in House of Commons:

> "This is one of the finest contracts that was ever signed in the public interest of Canada . . . I think it is one of the finest things ever done, since we had to do it in Canada, for the Dominion."

Aug. 12, 1938—Hahn threatens legal action against MacLean Publishing Company if projected article on Bren transaction, when published, contains grounds.

Aug. 25, 1938—Maclean's Magazine publishes an article, "Canada's Armament Mystery," by Lieut.-Col. George A. Drew, outlining the then available facts of the Bren transaction; and asking 20 questions concerning:

> The negotiations leading up to the contract.
>
> The reasons for awarding the contract to Major Hahn's company without calling for tenders from established industrial companies.
>
> The reasons for selecting a contractor who had no experience in arms production.
>
> The financial set-up and stock transactions of the company and the opportunities for profiteering in the shares of an arms company.

Aug. 26, 1938—Hon. Ian Mackenzie, Minister of National Defense, denounces the Maclean's article as "wild and irresponsible."

Aug. 27, 1938—The Financial Post, in editorial, calls for "complete judicial enquiry" into the whole affair.

Sept. 1, 1938—The Government announces a judicial enquiry into the Bren transaction.

Sept. 3, 1938—By letter to Defense Department Hahn on behalf of Inglis Company agrees to amend the contract to provide that payments to the company on account of savings below "standard costs" be included within the limit on aggregate profits.

Sept. 19, 1938—Royal Commission hearings to investigate the Bren gun contract open in Ottawa under Mr. Justice H. H. Davis.

Jan. 13, 1939—Report of Mr. Justice Davis tabled in House of Commons.

The Commissioner reported:

> In the absence of charges he was unable to pass on the conduct of individuals. The facts were all in evidence. It was for the Government and Parliament to pass on them.
>
> In the absence of competitive bids he was unable to pass on the substance of the contract. It was for the Government and Parliament to decide whether the procedure in making the contract was best calculated to serve the public interest and prevent profiteering in the manufacture of arms.
>
> There was no evidence of corruption on the part of officers of the Crown. (No corruption of officials had been charged).
>
> The system for control of contract making "broke down."

The Commissioner recommended:

> That the purchase of arms be taken from the Defense Department and placed in the hands of a board of competent businessmen to be known as the Defense Purchasing Board.

Mar. 1, 1939—Prime Minister King in House of Commons characterizes Maclean's Bren gun article as "that scurrilous article."

Mar. 9, 1939—Public Accounts Committee of the House of Commons begins investigation of the Bren gun transaction.

April 6, 1939—House of Commons passes Act setting up a Defense Purchasing Board to handle all defense contracts in excess of $5,000. (This Board was succeeded by the War Supply Board which in turn gave way to the Department of Munitions and Supply).

May 24, 1939—Major General L. R. LaFleche, Deputy Minister of Defense, before the Public Accounts Committee, charges "the persons who started the Bren gun enquiry" with having made a "dastardly, traitorous attack" on the Defense Department.

> "I am throwing that in the teeth of all the liars . . . It is a dastardly betrayal of Canada."

May 30, 1939—H. T. Hunter, president of The MacLean Publishing Company, before the committee, declares:

> "Any publisher who suppressed the facts of this case would have been derelict in his duty, not only to his own readers, but to the country at large."

June 3, 1939—Public Accounts Committee investigation dies without making a finding, when House prorogues.

Sept. 3, 1939—War begins.

Sept. 8, 1939—Major General LaFleche, Deputy Minister of National Defense, leaves Defense Department on three months' sick leave. Is subsequently removed to France as Canadian military attaché, whence he returns to become Associate Deputy Minister in National War Services Department.

Sept. 19, 1939—Hon. Ian Mackenzie is relieved of his post as Defense Minister and transferred to the Ministry of Pensions and Health.

March 26, 1940—Hugh Plaxton, having failed to secure the Liberal nomination, ceases to be a Member of Parliament. Hon. Ian Mackenzie is re-elected.

July 30, 1940—Hon. C. D. Howe, Minister of Supply, informs House of Commons that capacity of Bren plant is being doubled.

Nov. 15, 1940—Hon. J. L. Ralston, Minister of Defense, informs the House of Commons production of Bren guns is most satisfactory.

> "By the end of the first year of production we expect to have three times as many guns delivered as were called for by the contract."

Nov. 20, 1940—Hon. C. D. Howe, reports to the House of Commons:

> "Arrangements have been made to increase the production of Bren guns very largely and added production is coming in each week."

Jan. 9, 1941—The Winnipeg Free Press and Ottawa Journal publish news stories stating that the original cost-plus-ten-per-cent Bren gun contract has been cancelled retroactive to its starting date and replaced by two new contracts dated Oct. 31, 1940; the Government to assume ownership of the arms plant and Inglis Company to manage it on a fee basis.

Preambles of new contracts state:

> "The amounts to which the contractor will be entitled in respect of the number of Bren guns and spare parts called for by the original Bren gun contracts will be less than the amounts which would have been payable to the contractor under the original Bren gun contracts."

Government investment in the former Inglis arms plant reported to be in excess of $13,000,000.

Jan. 9, 1940—Following protracted conferences of Government officials lasting till midnight, Hon. Angus Macdonald, Acting Supply Minister, issues statement confirming cancellation of original contract and its replacement by two new contracts dated Oct. 31, 1940, under which the Bren and other arms plant becomes Government-owned.

Jan. 10, 1940—Hon. Ian Mackenzie issues statement:

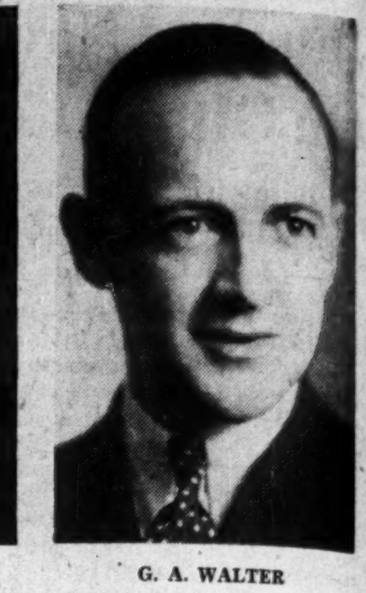
> "I cannot help but be gratified that the confidence which we and the War Office reposed in this firm has been so fully justified . . . So far from being a termination of arrangements with this company, it is actually a tremendous enlargement."

Jan. 10, 1940—Winnipeg Free Press declares editorially:

> "This contract . . . has been blotted out as if it had been written in water—and by the very Government that made it."

Canada Life Promotions

T. H. GOOCH



G. A. WALTER

The Canada Life Assurance Company announces the appointment of T. H. Gooch, formerly Agency Supervisor, to be Assistant Superintendent. G. A. Walter, formerly Educational Supervisor, has been named Supervisor of Field Service.

SUCCESS SIGNALS

GAIN IN FORCE	During the year 1940, new settled business was maintained at a satisfactory level. As a result, the Company added $1,444,785 to the amount of ordinary business in force. This Total now stands at the highest point in Company history.
EXPENSE	During 1940, total expenses of operation were reduced for the fifth successive year.
SURPLUS	Earnings during the year were well maintained. These earnings were used to write down assets and to strengthen still further the security standing behind the Company's policy contracts.
ASSETS	During the year, the total ledger assets of the Company increased to $13,062,974.93. This is the highest total in Company history.

The National Life Assurance Company of Canada

Home Office Toronto

Established 1897

Toronto Office: 522 University Ave., Toronto, Ont.

ASSETS in Excess of $45,000,000 In Canada and the United States

"Throughout 1939 we continued our prudent policy of liquidity."

"We have been confirmed in our feeling that United States Government obligations remain the best medium for the greater part of our American investments."

"Taking into consideration the geographical distribution of our business, with its high proportion in the British Empire and the United States, its strength in North America, and our comparatively small stake on the Continent of Europe, we can feel that we have certain advantages."

"Face . . . difficulties . . . with . . . confidence."

Excerpts from the address of Sir Courtauld Thomson, K.B.E., C.B., Chairman at the annual general meeting London, April 17, 1940.

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Union Gas

I am disturbed by the relatively high yield on Union Gas shares which I bought for income. Do you know of any weakness in the company's position?

Probably the chief unsettling factor which has affected the natural gas industry in Ontario has been indications that supplies of natural gas are hardly adequate to meet the steadily increasing demands now being placed upon them. Actually it does not appear that the fields being developed by Union Gas Co. itself are much affected by this.

Earnings of Union Gas Co. for the six months ended Sept. 30 last amounted to $320,011, before income and excess profits taxes, compared with $198,326 for the corresponding period in 1939. Total income and excess profits taxes for the current year will be very much greater than the amount provided in the preceding period. The company attributes its increased earnings to greater volume of gas sold for house heating as a result of colder weather. Number of active meters has also increased and volume of gas sold for industrial purposes is higher.

The stock is yielding a little over 7% at current prices, admittedly higher than top ranking stocks. This stock has often returned above-average yields.

Canadian Canners

What is the outlook for Canadian Canners? I am interested in the second preferred shares and would appreciate details of special provisions concerning this stock.

Canadian Canners Limited is currently enjoying a very heavy volume of business. Sales have been advancing rapidly since the outbreak of war and have more than offset the loss of part of the company's large export trade to Great Britain due to embargoes on imports. The recent food contract arranged between Canada and Great Britain again opens up a large British business for the company and the promise is that business in 1941 will prove one of the best on record.

There are special provisions with respect to dividends on the second preferred stock. A total of 60 cents per share can be paid on the second preferred before the common stock participates and after participation the total which can be paid annually on the second preferred stock is $1 per share, after which all distribution must be made to holders of common shares only. The participating dividends are payable only until 50% or more of the second preferred stock has been converted into common stock on a share for share basis. Participating dividends of 5 cents per share have been paid quarterly since April 1, 1940. Second preferred shares are callable at $20 on 60 days notice.

Excess Profits

I am interested in a small company whose earnings are running about $3,000 or $4,000 a year. This is above the level of recent years. Will these earnings be subject to excess profits taxation?

Unless a company earns more than $5,000 in the way of taxable income it is not subject to excess profits tax under the present Canadian law. Even if this $5,000 represented a substantial increase over previous results, it would not be subject to excess profits tax. If your company should earn more than $5,000, excess profits tax would be levied on the amount by which earnings exceed the average annual earnings of the four years 1936-39 inclusive.

North Star Oil

The preferred shares of North Star Oil Ltd. have been recommended to me as an investment. Could you furnish me with information as to the position of the company and the investment standing of these shares?

The preferred shares of North Star Oil can hardly be ranked among top-grade investments. The company has been unable to keep up regular dividend payments on the preferred, with the result that arrears amounted to 35 cents a share at Jan. 2, 1941, or one year's payment. These arrears actually accumulated in 1934 and the company has maintained regular payments since. In 1939 net profits were equivalent to 39 cents a share compared with 59 cents a share in 1938. Financial position at the end of 1939 was reasonably good, although somewhat lacking in actual cash on hand.

The company's sales should fluctuate in keeping with changes in general activity in western Canada. The heavy crop of 1940 should have resulted in increased sales volume. What will happen in the current year is hard to forecast, as the outlook for the agricultural industry is far from clear.

Imperial Oil

I am concerned by the lower return on my investment in Imperial Oil shares. I would appreciate an explanation of the causes of the reduction in dividends. Are current earnings favorable.

Dividends on Imperial Oil Limited have been cut by successive stages until in December last the company paid only the regular 25 cents a share. Prior to June, 1940, the company had been paying 25 cents plus extras of 37½ cents a share for a number of years. Actually shareholders should have regarded a substantial portion of the large dividends paid in recent year as a return of capital which the company considered it could no longer profitably employ in its business. Evidence of this is the large deficit incurred each year after payment of dividends.

More than three quarters of Imperial Oil's earnings in recent years have come from dividends from its subsidiary operations, of which the largest is International Petroleum. It was large reductions in dividends by the latter subsidiary which kept Imperial's revenues from rising. Last year the company earned 19.3 cents a share from its Canadian operations alone, as compared with 13.3 cents in 1938. In 1940 it is known that sales were substantially above the previous year, but heavier taxes and failure of the retail price situation to improve probably meant that earnings did not keep pace with the gain in sales volume.

JOINS LORD & THOMAS

H. V. Petersen, former manager of James Fisher Advertising Agency, Montreal Branch, goes to Lord & Thomas in the capacity of account executive. Mr. Petersen has seventeen years of advertising background covering the agency, newspaper and retail fields.

Company Reports

Burry Biscuit Corp.

Downward trend of earnings for Burry Biscuit Corp. was accelerated in the year ended Oct. 26, 1940. Continuation of the shift from bulk to branded retail lines which was begun the previous year necessitated promotional expenditures of $65,000. These expenditures, together with reserves of $35,000 set up against finishing materials were charged to the year's operations.

George W. Burry, president, states that the company has been engaged in protracted negotiations for additional financing which have not yet crystallized. During the period, 280 preferred shares were converted into common stock on the basis of eight common shares for one preferred.

Income and Surplus Account
52 Weeks Ended

	Oct. 26 1940 $	Oct. 28 1939 $
Gross oper. loss	245,737	3,729
Add: Discts. allowed	18,355	19,394
Mov. exp. amort.	7,053	7,013
Interest	2,999	1,569
Loss on assets	551	872
Less: Discts. rec.	9,365	13,147
Misc. income	448	452
Net loss	264,882	18,978
Less: Pref. divds.	......	22,207
Deficit for year	264,882	41,185
Less: Prev. surplus	87,880	108,220
Deprec. adj.	......	20,991
Less prev. reverse	......	8,700
Add: Prior inc. tax	......	8,846
Deficit forward	177,002	*87,880

*Surplus.

Working Capital

Current assets	323,760	455,659
Current liabilities	265,964	248,656
Working capital	57,796	207,003

Seiberling Rubber

Seiberling Rubber Co. of Canada reports earnings of approximately $1 per common share for the fiscal year ended Oct. 31, 1940. Majority of the common stock is held by the Akron company.

Balance sheet shows current assets of $947,600, including $1,800 in cash, $341,121 in accounts receivable after deducting reserve, $94,678 due from the Dominion Government for expenditure on plant equipment and $510,001 in inventories. Current liabilities of $1,176,626 include bank loans of $202,235, bills under discount of $96,672, other accounts of $370,459 and $507,260 owed to the Seiberling Rubber Co. of Akron.

Income and Surplus Account
Years Ended Oct. 31

	1940 $	1939 $
Gross profit	345,357	364,052
Less: Sell. exps., etc.	220,398	226,216
Gen. & admin. exps.	25,236	25,125
Bad debts reserve	4,006	4,486
Net earnings	95,717	108,225
Less: Depreciation	33,655	27,326
Int. & exch.	27,346	42,402
Income taxes	3,000	7,100
Net profit & surp.	31,716	31,397
Add: Prev. surplus	31,397	*490,858
Capital reduct.	......	563,670
Prior yr. income	12,868	......
Less: Conting. & res. for consign.	......	72,812
Prior yr. inc. taxes	3,500	......
Surplus forward	72,481	31,397

*Deficit.

Earned per Share	$1	$1

No dividends paid.

Shares O/s, n.p.v.	31,315	31,315

Working Capital

	1940 $	1939 $
Current assets	947,600	686,934
Current liabilities	1,176,626	942,798
Excess of curr. liabs. over curr. assets	229,026	255,864

Bruck Silk

Bruck Silk Mills Ltd. reports substantial betterment in sales in the year ended Oct. 31 from the preceding year. Net profit increased to $58,309 from $30,278 in the preceding fiscal year. This was equivalent to 47 cents on 125,000 common shares of no par value outstanding in the 1940 fiscal year and 24 cents in 1939.

In connection with provision for "excess" profits tax, the company's auditor states:

"Provision for taxes under the 'excess' profits tax act has been based on the minimum of 12% of the company's profits. We are advised that application will be made by the company to be classified as a depressed company under the provision of section 5, paragraph 1 (A) of the 'excess' profits tax act. If so classified, further taxes, if any, will depend on the findings as to the yield of the company on the amount of capital employed."

Isaac I. Bruck, president, states in the annual report that sales were up 48.07% over the preceding year in value, and 55.94% in yardage. Export shipments increased 36.21%. New outlets were opened up in the West Indies and South America, in addition to those already established in Australia, New Zealand and England.

Income and Surplus Account
Years Ended Oct. 31

	1940 $	1939 $
Gross trading profit	511,628	381,594
Other income	82	577
Total income	511,710	382,171
Less: Sell., admin.	291,836	267,242
Dir., legal fees	2,198	2,294
Depreciation	97,610	47,694
Bond interest	26,601	27,210
Res. for taxes	35,156	7,453
Surplus for year	58,309	30,278
Add: Prev. surplus	498,863	469,472
Adjustments	3,991	......
Less: Adjustments	......	886
Surplus forward	561,163	498,864

Working Capital

	$	$
Current assets	1,116,575	908,481
Current liabilities	457,100	242,420
Working capital	659,475	666,061

Balance Sheet Changes

	$	$
Inventories	745,689	631,203
Subsid. invest.	1,231	28,479
Property acct. (net)	981,332	882,221
Bank loan	200,000	135,000
Funded debt	408,500	410,500
Contingent liability	426,247	248,697
Letter of credit	29,311	......

Central Canada Loan

Central Canada Loan and Savings Co. reports net profit in the year ended Dec. 31, 1940, of $203,944, compared with $213,439 in 1939. This is equivalent to earnings on the outstanding capital of $8.16 per share as against $8.54 in 1939. Annual dividend rate of $8 per share has been maintained since April 1, 1933.

During 1940 the company increased both liquid assets and mortgages and reduced its real estate holdings.

Central Canada Loan and Savings operates as an investment trust, holding controlling interest in the Canada Life Assurance Co., and shares in the National Trust Co., the Canadian Bank of Commerce, the Western Assurance Co. and the Canadian Real Estate Co.

Earnings Record

Year	Paid-up Capital & reserves $	Net profit $	Div rate $	Rate earned per sh. $
1936	4,600,000	211,130	8	8.45
1937	4,600,000	211,387	8	8.46
1938	4,600,000	211,164	8	8.45
1939	4,600,000	213,439	8	8.54
1940	4,600,000	203,944	8	8.16

Assets

	1940 $	1939 $
Liquid assets	4,645,661	4,624,659
Mortgages & int.	96,679	77,431
Other net assets	57,448	93,754

Mtl. Telegraph

Financial statements of Montreal Telegraph Co. for the year ended Dec. 31, show little change in total revenue from 1939. After greater provision for income tax and administration expenses a deficit for the year totalled $1,323, compared with a surplus of $1,078 in the preceding year.

Henry E. Rawlings, president, states in the annual report that suit for taxes taken by the Province of Quebec was dismissed Nov. 26, with costs against the province, and the action-in-warranty taken by the company against the Great North Western Telegraph Co. was also dismissed with costs against the company. The province has entered an appeal against the judgment and it has been necessary in order to protect the interests of the Montreal Telegraph to enter an appeal against the judgment dismissing the action-in-warranty against the Great North Western Telegraph Co. Claim of the provincial government for tax on profits is still under discussion with representatives of the department.

The company's property was valued at $2.2 millions when taken over in 1881 by the Great North Western Telegraph Co. of Canada. Agreement is for a period of 97 years from July 1, 1881, to 1978, leaving over 37 years before expiry.

Income Statement
Years Ended Dec. 31

	1940 $	1939 $
Revenue:		
G. N. W. Tel. Co.	165,000	165,000
Invest. rev.	3,010	2,775
	168,010	167,775
Expenditure:		
Dividends	125,000	136,000
Inc. tax res.	35,000	24,000
Admin. exp.	9,333	6,697
Surplus for year	*1,323	1,078

*Deficit.

Dominion Bridge

Substantial gain in business is reported by Dominion Bridge Co. in the year ended Oct. 31, 1940. Profits from contracts, interest and exchange, etc., was up 2½ times from the preceding fiscal year. Total income amounted to $2.2 millions, against $1 million in 1939.

Net profit, after much greater provision for depreciation and income tax, totalled $699,554, compared with $371,429 in the previous year. Profit in the past year was the highest since the year ended Oct. 31, 1932. Earnings on the common stock in 1940 equalled $1.35 a share, compared with 72 cents in 1939.

Cons. Income and Surplus Account
Years Ended Oct. 31

	1940	1939
Contracts profit, etc.	2,067,479	832,809
Invest. revenue	133,250	149,072
Profit bonds sold	22,657	46,464
Net earnings	2,223,386	1,028,345
Less: Directors' fees	23,640	23,830
Exec. salaries	82,000	74,000
Legal fees	4,054	2,608
Inc. tax res.	832,292	136,152
Depreciation	582,105	420,326
Net profit	699,295	371,429
Less: Dividends	616,741	616,741
Surplus for year	82,554	*245,312
Add: Prev. surplus	1,828,902	2,074,214
Surplus forward	1,911,456	1,828,902

*Deficit.

Working Capital

Current assets	13,291,345	9,267,087
Current liabilities	4,881,449	1,567,462
Working capital	8,409,896	7,699,625

Balance Sheet Changes

	1940 $	1939 $
Invest. in subsids.	2,081,376	2,484,497
Due by subsids.	12,350	105,300
Invest. other cos.	93,137	134,384
Cash	912,254	1,189,213
Govt. bonds, etc.	2,291,374	2,398,458
Call loan	......	300,000
Uncomplete conts.	4,268,106	1,267,705
Accts. rec.	1,943,378	1,292,264
Inventory	3,766,378	2,748,387
Bank loan	636,093	......
Bank overdraft	819,774	......
Accts. pay.	2,218,648	1,073,182

Clarendon Apts.

Rentals received by Clarendon Apartments Ltd., Toronto, for the six months ended Nov. 30, 1940, were slightly lower than for the corresponding period in 1939, Royal Trust Co., trustee and manager of the property, reports.

Income and Expenditure
Six Months ended Nov. 30

	1940 $	1939 $
Receipts:		
Balance forward	2,661	5,398
Rentals	14,389	16,528
Total income	17,050	21,926
Less disbursements:		
Oper. exps. & taxes	11,598	12,243
Gen. & admin.	75	175
Rental exp.	820	1,090
Bond int. & exp.	1	6,049
Equip. purch.	523	....
Balance forward	4,033	2,369

Nfld. Assumes Debt Burden

Policy of Aiding Britain Reaches Fruition With Interest Payment

The Newfoundland Commission of Government has met the half-yearly interest payment on its funded debt, due Dec. 31, out of its own resources, Commissioner for Finance Penson announces. The payment totalled £296,000, or $1.3 million.

This step marks the fruition of Newfoundland's programme to relieve the Mother Country of the burden of meeting the Island's deficits in wartime. Since the country's Dominion status was suspended the United Kingdom has been making annual grants-in-aid for this purpose. With the outbreak of war the Commission of Government laid down a programme of economy and heavier taxation.

Announces Budget Balance

With the special war revenue tax of 7½% of non-Empire imports (except Canada and Hong Kong), which became effective Nov. 30, other additional taxation and reduction in ordinary expenditure, the Government's budget was placed in balance, Mr. Penson states. Sale of savings certificates contributed to this result. The Government also floated a public loan of $1.5 million in the past summer.

Additional burden assumed by Newfoundland since war commenced amounts to more than $4 millions annually. Direct expenditure on war costs has amounted to more than $500,000 in the current fiscal year.

Previously it was stated by The Financial Post that Newfoundland had not shared directly in the cost of war, as it is a Crown Colony. Mr. Penson points out that Newfoundland is a Dominion, the constitution of which is temporarily suspended, and that the foregoing direct expenditure has been made on the war effort.

Montreal Stock Trading Halved in Past Year

From Our Own Correspondent

MONTREAL.—Volume of trading on the Montreal Stock Exchange and the Montreal Curb Market suffered a decline in the last month of 1940. Industrial share turnover during December totalled 195,286 shares compared with 358,913 shares in the preceding month and 550,307 shares in Dec., 1939.

Volume of trading on mining shares also fell off, amounting to 281,970 shares in December as against 422,024 shares in November and 713,920 shares in December a year ago.

During 1940 4,545,836 shares changed hands in the industrial section of the Montreal Stock Exchange and Montreal Curb Market, as against 8,488,227 in 1939.

Mining volume for the year totalled 5,597,844 shares, compared with 14,944,974 shares in 1939.

The total volume for the year was 10,143,680 shares.

Customs Revenue Up at Montreal

Total For 1940 Exceeds Previous Year by $40.6 Millions

From Our Own Correspondent

MONTREAL. — Customs, excise and sales tax collections for the Port of Montreal in 1940 totalled $145.4 millions, an increase of $40.6 millions or 28% over collections in 1939. This gain reflected increased taxation and business expansion.

In the nine months of the fiscal year, which began April 1, collections totalled $117.8 millions, which was substantially above collections for the entire calendar year of 1939, and $33.4 millions greater than the nine months of the preceding calendar year when collections totalled $84.4 millions.

In December collections amounted to $13.3 millions, which was well below the all-time record for any month established in November. In that month collections totalled $15.2 millions.

THE ONTARIO LOAN AND DEBENTURE CO
LONDON, CANADA
Established 1870
DEPOSITS ACCEPTED 5-YEAR DEBENTURES ISSUED
Deposits and Debentures (31 Dec., 1939), $11,793,464
Capital (Fully Paid), $2,000,000 Reserve Fund, $2,400,000

J. P. LANGLEY & CO.
C. P. ROBERTS, F.C.A.
Chartered Accountants
TORONTO
KIRKLAND LAKE
ONTARIO

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MONTREAL TRUST COMPANY
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15 King Street West, Toronto

THE
MUTUAL LIFE
Assurance Company
OF CANADA
Established 1869

71st Year of Public Service
Year 1940

Surplus Earned in 1940 (All for Policyholders)	$ 4,603,568
Total Payments in 1940 to Policyholders and Beneficiaries	$ 18,058,822
New Assurances Paid for in 1940 (Excluding Annuities and Revivals)	$ 45,615,065
Total Assurances in Force at End of Year	$586,019,392
Total Assets at End of Year	$196,605,418

Combined Profit and Loss and Surplus Account
Revenue Basis
For the Year Ending December 31, 1940
(Including Group Accident and Sickness Branch)

SURPLUS FUNDS at December 31, 1939, consisting of:			
General Investment Reserve		$ 2,500,000.00	
Free Surplus for Contingencies		6,317,498.49	
			$ 8,817,498.49
INCOME			
Premiums for Assurance	$16,995,103.92		
Consideration for Annuities	1,000,864.61		
Interest, Dividends and Rents (after provision for possible future losses)	8,420,368.33		
Consideration for Settlement Annuities arising out of assurance policies	532,124.17		
Policy Proceeds, Dividends and Other Amounts left with the Company	4,027,907.03		
Net Profit on sale of Ledger Assets, and Foreign Exchange	101,923.84		
		$31,078,291.90	
EXPENDITURES			
Under Policy Contracts:			
Death and Disability Claims	$ 4,443,110.11		
Matured Endowments and Surrender Values	6,940,517.92		
Annuities	488,759.63		
Policy Proceeds, Dividends and Other Amounts withdrawn	2,818,168.46		
	$14,690,556.12		
Taxes and Licenses	396,197.64		
General Expenses	3,121,289.39		
Amount written off Home Office Premises	50,000.00		
R.E., S.A. and Mortgages written down	509,907.89		
	$18,767,951.04		
RESERVES			
Increase in Actuarial Reserves and Amounts left with the Company	7,706,772.41		
		$26,474,723.45	
SURPLUS EARNINGS FOR YEAR		$ 4,603,568.45	
SPECIAL CHARGES:			
Increase in Specific Reserves for Depreciation in Value of Investments	366,116.19		
Transferred to Staff Pension Fund	228,224.00		
		$ 594,340.19	
NET AMOUNT TRANSFERRED TO SURPLUS FUNDS			$ 4,009,228.26
Total			12,826,726.75
Deduct:			
Surplus Paid or Allotted to Policyholders			3,368,266.32
SURPLUS FUNDS at December 31, 1940, consisting of:			
General Investment Reserve		$ 2,500,000.00	
Free Surplus for Contingencies		6,958,460.43	
			$ 9,458,460.43

The 71st Annual Meeting of the Policyholders will be held on Thursday, February 6th, at 1.00 p.m. Standard Time at the Head Office, Waterloo, Ont.

R. O. McCULLOCH, *President* W. H. SOMERVILLE, *General Manager*

CANADA INTENSIFIES WAR EFFORT

JOHN R. LAMB, President of

THE BANK OF TORONTO

says:

"Complacency a Dangerous Fifth Columnist"

"Greater Industrial Activity Increases Commercial Loans"

reports F. H. Marsh, General Manager

The 85th Annual General Meeting of the Shareholders was held at the Head Office in Toronto on Wednesday, January 15th, when the President, John R. Lamb, and the General Manager, F. H. Marsh, addressed the shareholders.

THE PRESIDENT'S ADDRESS

Gentlemen—

The figures presented to you today disclose what we believe you will regard as a satisfactory statement of the Bank's position.

Net Profits are a little below last year.

Total deposits are slightly down due to Dominion Government balances being lower. Deposits by the public show an increase despite heavy withdrawals for investment in war loans.

I will leave it to the General Manager to make more detailed reference to the figures.

War Output Makes Headway

When we met a year ago, the war was new and the economic effort was merely taking shape. Since then the programme has advanced to first place in our national life. Gross production has increased by about 25 per cent, the year 1940 setting a new high record. Nearly all of the normally employable labor is now at work, and the reserves of people who ordinarily do not take part in production have already been drawn on to a slight degree. Most industrial plants are active. Greater war production must and will undoubtedly be achieved. This is one of the major problems.

The war is still far from being won. We are not safe from disaster. Indeed, it is only in recent months that there have been any compensations for the very heavy reverses suffered by Britain and her allies during the first nine months of the war. It would be the height of folly to ignore or under-estimate the task before us. Complacency is a dangerous Fifth Columnist in our midst. We must and will win the war but we can do so only by whole-hearted co-operation of all classes of the community guided and directed by able, efficient leadership.

In regard to efficient leadership in our war effort, may I take this opportunity of saying that the Dominion Government has been well advised in drafting Mr. H. J. Carmichael, Vice-President and General Manager of General Motors of Canada, Limited, and a Director of The Bank of Toronto, as assistant to Mr. H. R. MacMillan, Chairman of the Wartime Requirements Board. Mr. Carmichael, at great sacrifice to himself and his Company, has resigned from General Motors and will give his full time to organizing Canada's industry for a maximum war effort. It is heartening to all of us that Mr. Carmichael and other men of outstanding executive and organizing ability have accepted their Country's call to these key positions in the wartime mobilization of Canadian industry.

Nearly All Industries Engaged

The influence of the war has extended to practically every phase of life in Canada. Economic forces have a vital part in the struggle. Industries have been drawn into a broad-scale development to fill our own needs as far as possible and to supplement Britain's output. There is no reason why even the present production levels should stop us and further employment and efficiency should enable us to greatly exceed them.

Steel is naturally the keystone, and in all its branches it is now working at capacity, with some plant extensions under way. War orders are on a large scale in textiles, electrical equipment and numerous other lines. Shipbuilding has been revived. Many concerns, including the railway equipment and automotive plants, have been wholly or partly converted to war purposes. Transportation is active, and nearly all electrical energy is being utilized.

Foodstuffs on the whole have not been in great demand. This is due to the blocking off, through hostilities, of large sectors of the world market, thus compelling the import areas to go short while the export areas have over-abundance. Our markets accordingly are narrowed. Britain has to be content with a rationed consumption, and her needs are filled from various sources, having regard for the necessity of maintaining mutual relations with many countries in order that her own goods may be exported. These conditions have prolonged, up to the present, some part of the agricultural depression that existed in previous years.

The wisdom of continuing farm output on the present scale is in some quarters being questioned. The wheat outlook for the immediate future is rather a disquieting problem, but it should be remembered that when the war is won by us, the nationlistic extremes that have suppressed trade in recent times are likely to vanish. It is highly desirable, therefore, that we retain our capacity for exporting wheat and other farm products on a large scale. A liberal stock in trade is one of the best assets we can have, whatever may develop, provided that it is a low cost inventory and not a high-priced speculation.

The 1940 wheat crop was large, and elevators are now full. More temporary accommodation will probably be needed to provide for the next crop. Livestock markets are somewhat better, and this branch of agriculture is being extended. Dairy products have recently improved their position.

Lumber is in considerable demand principally for war purposes. Curtailment of supplies from Scandinavia has helped our pulp and paper industry, which once again is in an earning position.

Mine Production Makes New Record

Mining has advanced in importance. Canada's gold output is in the neighborhood of 200 million dollars a year which, being at once convertible into U.S. exchange, gives it an essential place in our economy, so that the output must be sustained, and, if possible, increased. The gold mines have not merely added to our growth in the past; they are a tower of strength in the present situation. Production of other metals has also increased, demand being stimulated by war requirements.

Incidentally, there is scarcely a Canadian industry that does not benefit from mining expenditures, and the various governments are deserving of credit for the encouragement and assistance that they have given and are giving to this important industry.

Development of Tourist Trade Essential

Another source of wealth that is particularly valuable at the present time is the tourist trade. The governments, tourist agencies, railways and business organizations are rendering splendid service to Canada in this connection, and the banks have also been giving valued co-operation. It is hoped that the tourists will be impressed with our country and with the courtesy and fair dealing of our citizens.

Foreign Trade Opportunities

The war has interfered with trade in many parts of the world. The American hemisphere is least affected, and all of its countries are interested in opportunities of mutual benefit. Canada has an active part in this movement, being in a position to increase its trade especially with the British West Indies and South America. It is regrettable that the recent Trade Mission under the Hon. J. A. MacKinnon, Minister of Trade and Commerce, had to be cancelled, but we hope it will be resumed in the near future. We need export business and have an opportunity to strengthen our position in these countries.

Wide employment in industry as a whole, with stable wages and prices, has maintained and even stimulated retail trade. Wage earners individually may spend less than formerly but there has been a great increase in the number of people employed. Government policy seeks to modify civilian consumption. Taxes, embargoes and other controls are being adopted for this purpose. Savings are needed for loan to the Government. Such measures have the effect of restricting normal consumption, thereby permitting a diversion of effort to war goods. This may mean a lowering of the average standard of living which will be a new experience for Canadians.

The Dominion Government has recently stressed these features and the necessity for governing ourselves accordingly must be apparent to any careful student of public affairs having in mind the eminently sound principles being applied in our economic programme, which seeks, as far as possible, to pay our way through taxes and savings and avoid inflation which always is disastrous and inflicts the heaviest penalties upon those least able to bear them.

Industrial Base is Broadened

Compared to the last war, when our output comprised little more than primary products and limited manufacturers, Canada's material base for a war production programme has been widened to a remarkable degree. The development of new sources or new processes in minerals, cellulose, wool, tobacco, etc., provide a much greater foundation for finished goods than we ever had before, and in such an emergency as this we can be more self-contained in respect to our own needs, and at the same time we can be a large scale producer of ships, shells, tanks, airplanes and many other articles. Very few others have as broad a basis, and they are the leading industrial nations. We may well hope for such a place for Canada in the strengthened Empire and in the new world which should come out of this war.

In order to occupy this position, however, it is necessary that we be efficiently organized. Plants must be wisely located and sufficient earnings made annually available for purposes of maintenance, replacement and expansion. Labor must be varied in its character, fairly compensated, and reasonable in its attitude toward others. There must be experienced and capable management, supported by the kind of technical skill which, through finding the best products and the best methods for making them, keeps the door to success always open. Finally, we must have government which is adequate but not excessive, efficient but not bureaucratic, progressive but not radical. We have gone far enough to know that we can go farther, provided that we straighten out the kinks as we go along, avoiding on the one hand a slavish adherence to the past, and on the other hand the mirage of unworkable ideals.

Simplification in Government

An effort is now being made towards carrying out the recommendations of the Royal Commission which studied the powers and finances of our dual governments. A war situation may inspire a willingness to agree to measures which at other times would be merely controversial. We have suffered greatly from duplication and over-government. Whatever may come out of the new movement should be in the direction of simplicity and efficiency. There is a widespread need for economy which has been recognized by a great number of municipalities, resulting in an improvement in their finances. The Dominion and Provincial governments have been less careful. They cannot expect the citizen to economize to a greater degree than they are prepared to exercise themselves. There is an opportunity to effect governmental economies and eliminate waste and duplication that may never come again. We are fast approaching a general shortage of labour. Many of the younger men in civil service will be attracted by higher wages in business and industrial fields. This will enable many changes to be made without imposing any hardship on employees in reorganized departments of governments. Savings effected in the cost of Government would not only be a real war time service but would be of inestimable benefit when we face the inevitable and difficult readjustment period following the end of the war.

The Business of Banking

At a meeting such as this, which in its broadest sense represents the interests of proprietary shareholders, many hundreds of employees who will spend their entire working lives in banking, thousands of depositors who use the Bank as the medium for their personal and household financing, and all those business concerns which look to us for temporary borrowing needs, we cannot avoid some reflection as to what our status may be in the new world. If our democratic countries succeed in holding the fort against the destructive forces that are assailing us from within and from without, as succeed they will, we should have no fear concerning the individual's opportunities for prosperity and happiness, nor concerning this business of banking, which has been developed over the past century in Canada with considerable care and success. We want neither the red destroyer nor the black-shirted dictator. We want, instead, to rebuild our lives around the things that endure throughout the ages, friendly and helpful co-operation between capital and labor and the love of home and family that inspires thrift and security. Although political thought in recent years has been in a state of turmoil, the axioms of the past being abandoned while new ideals are but vaguely formed, I feel safe in saying that the great majority of people hope for a life in which the best features of individualism will inspire our actions, while the government remains as an arbiter which aims at justice without subversion.

We Canadians, along with other British peoples and their allies, are deriving great comfort and encouragement from the rising tide of sentiment and the material aid from the United States. The recent addresses of President Roosevelt visualize a combination of democratic ideals and democratic strength in which we are proud to have a place.

Must Co-operate to Win the War

Summing up, Canada's maximum contribution to the war can be achieved only by planning, directing and controlling her economy in such an efficient manner as to make the utmost use of her resources. Leaders in politics and business must work in co-operation. The public must prepare themselves for increasing sacrifice. The heroism with which our battles are being fought, the sufferings which are being endured by the people of Britain with confident enthusiasm and Christian fortitude, must be backed by our utmost moral and material support.

Our duty is clear. It calls for immediate and sustained action. We must see to it that we who can, do our full share in helping to provide the sinews of war through generous purchases of war bonds and war savings certificates. The dominating thought in our minds must be the winning of the War.

F. H. Marsh, General Manager Nominated for Director

The President announced that the name of Mr. F. H. Marsh, General Manager of The Bank of Toronto, would be submitted for election as a Director.

GENERAL MANAGER'S ADDRESS

Mr. Chairman and Gentlemen,

I have the honour to place before you the 85th Annual Balance Sheet covering the Bank's operations for the year ending November 30th, 1940.

Profits

Our Net Profits are $1,294,549., and are $29,679. less than a year ago; this after amply providing for all known and anticipated contingencies, taking care of the usual contribution of $150,000. to Officers' Pension Fund and paying Dominion and Provincial taxes which were $237,700. in excess of last year. From this amount $250,000. was written off Bank Premises and the regular dividend of $600,000. paid, leaving a balance of $444,549. to add to Profit and Loss Account which now stands at $2,974,243.

Total Assets

Total Assets amount to $165,480,977. compared to $168,339,469. a year ago. Of the total, $105,637,655. or 71.68% of all liabilities to the public consists of cash, bank balances (including deposits with the Bank of Canada) and other assets readily convertible into cash.

Securities

Our portfolio of securities $77,983,291. shows a small increase of $893,000. for the year. Dominion and Provincial securities, which mature within two years, are higher by $8,889,000. while other securities are down $7,996,000. Of the total 94% is in Dominion and high-grade Provincial and Municipal bonds of relatively short maturity. It will be satisfactory to you to know that our securities are carried at figures well within the present market value.

Call and Short Loans

These total $1,232,005., a reduction of $928,724., which reflects the quiet security markets.

Commercial Loans

$50,775,854., an increase of $3,666,528. as compared with a year ago and attributable in the main to the greater industrial activity presently prevailing and the abnormally large stock of wheat still in the country. We welcome opportunities to extend credit assistance to business, both large and small.

Municipal Loans

Loans in this category at $3,799,790. are down to the extent of $2,267,739. The improved financial position of municipalities in general as the result of reduced relief and other expenses and the better payment of taxes, has of course, been responsible for the lower municipal borrowings.

Bank Premises

$3,240,150. are down $143,615.

The appropriation of $250,000. for premises account enabled us to effect this reduction after providing for expenditures during the year.

Notes in Circulation

$3,427,259., a reduction of $170,245.

As from January 1st, 1941, the maximum to which we are permitted to circulate our notes was reduced to $3,900,000. and this latter amount will be decreased by $600,000. annually for the next four years to conform with the provisions of The Bank Act.

Deposits

$140,743,210. are $1,291,764. lower than a year ago.

Dominion Government deposits included in above total are $3,817,311., a reduction of $4,238,177. Under present conditions we can, of course, expect considerable fluctuation in this item.

Provincial Government deposits at $1,623,030. show an increase of $667,377.

Deposits by the Public $135,302,868. are the highest in our history and indicate an increase for the year of $2,279,036.

This is a most gratifying showing, having in mind that our depositors subscribed heavily to the two Dominion War Loans of last year.

Branches

During the year we opened two branches in Toronto, one at Avenue Road and St. Germain Ave., the other at St. Clair Avenue and Bathurst Street, and closed at Kennedy in Saskatchewan. We are now operating 172 branches.

Inspections

The usual inspection of all branches has been made during the year by our inspection staff, and the usual audit of cash, securities and loans at Head Office and main branches in Toronto, Montreal, Winnipeg and Vancouver has been made by the shareholders' auditors.

Staff

I wish to express the appreciation of myself and the other Executive Officers of the splendid assistance and co-operation received during the year from the men and women members of our staff numbering in all 1,234. Their good work has in large measure contributed to the satisfactory statement now in your hands.

I would also like to pay tribute to the 88 members presently on active service, and, as well, to the men who have offered their services and are now awaiting call. To those who have gone overseas, I am sure you will wish to join with me in extending all good wishes for their safe return.

In conclusion I feel sure that it is a source of satisfaction to you to know that your Bank is in a position to bear its share of the burdens imposed by the war as evidenced by the statement before you, and I can assure you that we stand ready and willing to render all possible assistance to our Country's efforts in maintaining that priceless freedom which is our natural heritage.

THE BANK OF TORONTO

Eighty-fifth Annual General Report

30th November, 1940

PROFIT AND LOSS ACCOUNT

Profits for the year ending 30th November, 1940, after providing $150,000.00 for Staff Pension Fund, $566,530.24 for Dominion and Provincial Taxes and making appropriations to contingent accounts out of which accounts full provision for bad and doubtful debts has been made	$1,294,549.88
Written off Bank Premises	250,000.00
	1,044,549.88
Dividends at the rate of 10% per annum on the par value ($100.) of the shares (This represents a disbursement of 3.33% on the shareholders' funds consisting of capital, rest and profit and loss account)	600,000.00
Balance of Profits carried forward	444,549.88
Profit and Loss Balance 30th November, 1939	2,529,694.02
Profit and Loss Balance 30th November, 1940	2,974,243.90

EIGHTY-FIFTH ANNUAL BALANCE SHEET

30th November, 1940

LIABILITIES

Notes in Circulation		$ 3,427,259.00
Deposits by and balances due to Dominion Government	$ 3,817,311.53	
Deposits by and balances due to Provincial Governments	1,623,030.97	
Deposits by the public not bearing interest	45,820,659.40	
Deposits by the public bearing interest, including interest accrued to date of statement	89,482,208.68	
		140,743,210.58
Deposits by and balances due to other chartered banks in Canada	154,987.09	
Deposits by and balances due to banks and banking correspondents in the United Kingdom and Foreign Countries	1,269,411.37	
		1,424,398.46
Acceptances and Letters of Credit outstanding		1,761,343.28
		147,356,211.32
Capital paid up	6,000,000.00	
Rest	9,000,000.00	
Dividends declared and unpaid	150,522.39	
Balance of profits as per Profit and Loss Account	2,974,243.90	
		18,124,766.29
		$165,480,977.61

ASSETS

Subsidiary coin held in Canada	$ 243,642.27	
Notes of Bank of Canada	3,633,858.00	
Deposits with Bank of Canada	13,017,779.54	
Notes of other chartered banks	119,150.00	
Government and bank notes other than Canadian	39,364.52	
Cheques on other banks	6,691,992.24	
Due by banks and banking correspondents elsewhere than in Canada	2,676,572.74	
		$ 26,422,359.31
Dominion and Provincial Government direct and guaranteed Securities maturing within two years, not exceeding market value	24,796,269.99	
Other Dominion and Provincial Government direct and guaranteed Securities, not exceeding market value	44,256,524.90	
Canadian Municipal Securities, not exceeding market value	5,138,860.23	
Other Bonds, Debentures and Stocks, not exceeding market value	3,791,636.00	
	77,983,291.12	
Call and Short (not exceeding thirty days) Loans in Canada on Stocks, Debentures, Bonds and other Securities, of a sufficient marketable value to cover	1,232,005.00	
		79,215,296.12
		105,637,655.43
Current Loans and Discounts in Canada, not otherwise included, estimated loss provided for	50,775,854.67	
Loans to cities, towns, municipalities and school districts	3,799,790.91	
Non-Current Loans, estimated loss provided for	65,216.84	
		54,640,862.42
		160,278,517.85
Liabilities of Customers under acceptances and Letters of Credit, as per contra		1,761,343.28
Mortgages on Real Estate sold by the Bank		13,559.88
Bank Premises, at not more than cost, less amounts written off		3,240,150.20
Deposit with the Minister of Finance for the security of the note circulation		187,406.40
		$165,480,977.61

JOHN R. LAMB,
President

F. H. MARSH,
General Manager

AUDITORS' REPORT TO THE SHAREHOLDERS

To the Shareholders of The Bank of Toronto:

We have examined the books and accounts of The Bank of Toronto at its Head Office and have been furnished with certified returns from the branches, and report that the above statement of liabilities and assets as at the 30th November, 1940, is in accordance therewith, and in our opinion discloses the true condition of the Bank. We have verified the cash and the securities representing the Bank's investments held at the Head Office at the close of the Bank's fiscal year, and during the year we counted the cash and examined the securities at certain of the important branches. We have received all the information and explanations we have required, and all transactions of the Bank which have come under our notice have, in our opinion, been within the powers of the Bank.

G. T. CLARKSON, F.C.A.
of Clarkson, Gordon, Dilworth & Nash
W. D. GLENDINNING, F.C.A.
of Glendinning, Gray & Roberts

TORONTO, 20th December, 1940.

Standard Steel Proposes Sale to United Steel

Final step in absorbing Standard Steel Construction Co. into the parent company, United Steel Corp., will be taken if Standard Steel shareholders approve proposals presented by directors. A special meeting is being held at Port Robinson, Ont., on Jan. 17 at which shareholders will be asked to vote on proposals for a sale of assets of Standard Steel to United Steel. Consideration would one common share of United Steel for each common share of the subsidiary. As United Steel holds about 99% of the Standard Steel common, there should be no difficulty in getting the required approval.

The preferred shares of Standard Steel, in which the public was interested were redeemed on Jan. 2, 1941, at $50 a share. The latest proposals follow out the larger plan approved last April.

C. D. S. Trust Share Value Up in November

From Our Own Correspondent

MONTREAL. — Consolidated Diversified Standard Securities reports that as at Nov. 30, 1940, net asset value per share of the company's preferred stock amounted to $20.82 a share. This compares with $20.79 on Oct. 31 and $22.60 on Nov. 30, 1939.

Strike Trouble Shows Decline in Canada

Labor trouble in Canada showed a marked shrinkage in December, in comparison with either the preceding month or Dec., 1939. In addition to a decline in the number of strikers, the total of workers involved in walkouts was about half what it was in Dec., 1939, and a quarter of the figure for Nov., 1940. Loss of working time on account of strikes was only one fifth what it was in November.

The chief dispute in December was a strike of 220 coal miners at Rosedale, Alta. A year previous there were strikes involving considerable time loss by knitting factory workers at Brantford, Ont., fish handlers at Lockeport, N.S., gold miners at Pioneer Mines in B.C., coal miners at Estevan, Sask., and felt factory workers in Quelph.

Strikes in Canada

	December 1940	December 1939	Nov. 1940
No. of strikes	9	12	16
No. of strikers	903	1,666	3,646
*Time loss	3,360	20,963	15,964

*Man-working days.

Power Corp. Group Output Records Gain

From Our Own Correspondent

MONTREAL.—Power Corp. of Canada reports power output by subsidiary and affiliated companies in November totalled 224,100,033 kw.h. This compares with 219,355,105 kw.h. for November, 1939, an increase of 2.6%.

Aggregate output for the five months ended Nov., 1940, amounted to 1,014,563,519 kw.h. This compares with 1,041,008,280 kw.h. for like 1939 period, a decrease of 2.54%.

November output by individual companies compares in kilowatt hours as follows:

	November 1940	November 1939
South. Can. Power	25,985,760	22,615,190
Can. Northern	60,539,300	63,256,283
East Kootenay	9,012,776	8,507,328
B. C. Power	61,070,517	53,357,200
Northern B. C.	1,127,960	993,904
Winnipeg Electric	68,363,700	70,423,200

Cariboo Gold Quartz Mining Co. has cut what is believed to be the extension of the B C zone in its main crosscut. Assays have not yet been received.

Canadian Tube & Steel Fills Board Vacancies

From Our Own Correspondent

MONTREAL. — Walter J. Langston, vice-president and general manager of Canada Iron Foundries Ltd., and William L. Bayer, president of Canadian Bonds Co., have been appointed to the board of directors of Canadian Tube & Steel Products Ltd. They filled vacancies created by the deaths of John C. Hodgson and Hon. Gordon W. Scott.

THE FINANCIAL POST

Largest Circulation of All Canadian Financial Papers

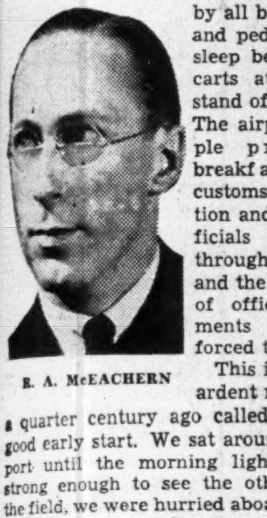
Vol. XXXV Member of Audit Bureau of Circulations PUBLICATION OFFICE: TORONTO, JANUARY 18, 1941 10c a Copy: $5.00 a Year No. 3

Canada Looks South

Chile—Fighting Both Reds and Nazis

By R. A. McEACHERN
Staff Writer, The Financial Post

SANTIAGO, CHILE.—The plane passengers had been jangled out of their beds at 4.30 in the morning in Lima, driven off to the airport through the dark streets, deserted by all but beggars and peddlers who sleep beside their carts at the last stand of the night. The airplane people provided breakfast while customs, immigration and plane officials messed through baggage and the great wad of official documents I've been forced to carry.



R. A. McEACHERN

This is what the ardent motorist of a quarter century ago called getting a good early start. We sat around the airport until the morning light got just strong enough to see the other end of the field, we were hurried aboard and the 1,800-mile jaunt to Santiago was on.

Every two or three hours we dropped into some little wayside airport to take on more fuel, pick up a passenger or two and, of course, get the mail, because that is the lucrative load for Panagra. (Pan American-Grace Airways Inc.) We stopped at Arequipa and Arica—towns in the heart of nowhere, they seemed—and Antofagasta, the famous old nitrate port, once a boom business capital of Chile, now a gloomy-looking spot in the lee of a hill in which a pirate hoard is supposed to be buried.

An Early Start

At 7:30, just half an hour before sundown, the plane shot between two mountain peaks which gave a curious garage door effect and in a moment Santiago, southernmost big city of the Americas. was below.

This long parsnip of a country, 2,600 miles from north to south—about the same distance as from Quebec City to Panama—and 250 to 46 miles wide, is split into three parts, in climate and terrain.

The north is the nitrate and mining country, arid, desert and subtropical. The centre—the Santiago country—is agricultural with irrigation; and the weather is of the brand you'd get in St. Louis, Charleston and latitudinal band of the United States. The south, stretching down into the Antarctic, goes in for general agriculture, with cattle and sheep and with a climate that has been described to me as almost uninterrupted damp and cold.

Santiago is in the centre of the great hacienda country. These great farms, with their neat pattern of irrigation ditches, hedgerow fences of eucalyptus trees—they resemble poplars, but are more graceful—make this part of Chile look like the fertile country of the Rocky Mountain foothills plus the Niagara peninsula.

A Real Puzzle

Chile and Santiago are the hardest things to figure out that I have come upon so far this trip. Santiago has a million people, superb wide avenues with thousands of motor cars, buses and trams, and more of its population sauntering the streets at one time than I have seen anywhere save in movies of Shanghai—pedestrian traffic jams here are just as bad as post-hockey match jams at home—but the buildings are either modern New York or old Germany and houses are a delirium of architectural variety. Because it looks externally so little like South America, the place doesn't seem to have any roots.

This I later found to be pretty much the case. Chile was just an outpost of the old Spanish Empire. It was the frontier of Peru and the Argentine. Hence it was never the seat of a great settlement—like Lima, for instance, with its two civilizations, first the Inca empire, then the Spanish.

Because of the country's magnificent natural resources of water power, minerals and agricultural strength in varied lines, it is possible to make out a very good case that this can become one of the great and strong countries of South America.

—Original photo by Fortune Magazine.

Don Arturo Allessandri Palma, ex-president of Chile.

And if you assume the possibility of working out some co-ordinated programme for development of raw materials and power with bordering countries like Argentine and Peru, you can get yourself a dazzling picture of lush possibilities. However, this interrepublican co-operation is a point on which I did not find many who avowed great confidence.

For the vital thing to keep in mind about the countries of South America—at least the ones that I have visited so far—is that they are old in history, but very young in acquiring 20th century standards of economic and social progress. They are still a wide open frontier to those who believe high standards of health and sanitation, a comfortable bed, a refrigerator, an electric washer in the basement, and a car in the garage are among the reasonable expectations of modern man.

Don Arturo

That was the main theme of my hour-long talk with His Excellency, Don Arturo Allessandri Palma, twice president (1920-25 and 1932-38) of Chile and still regarded by many here and by many abroad as one of the great leaders this country has had in its colorful, chequered political history. Because of the constitution, he couldn't run again and is now taking his ease in his palatial apartment overlooking a government square in the business sections of Santiago.

An interpreter at my elbow, I turned up at the Allessandri apartment at the appointed hour. A stout six-footer—big for a Chilean—inched open the door, took in my card and shut the door. Smilingly he soon reopened it and we entered. Inside three more large men received us, helped hang up our hats, led us into the drawing room.

I have seen the same sort of room in old palaces of Europe. But this was unexpected. Its dimensions were about 50 by 25 ft.; its furniture, prim, black and heavily ornamented. At the inside end of the room, opposite the windows that faced out to the cathedral and some of the government buildings, there was a 15-ft. rosewood table with a collection of autographed photographs, all in silver frames, all about the same size. First was a Chinese whom I didn't recognize. Then the Duke of Windsor, Crown Prince Umberto of Italy, Hindenburg, Hitler, Daladier and some others. "This Socialist son of an Italian consul has come a long way," I thought.

The Bodyguard

My interpreter and myself had a good five minutes to look around, then there was a pattering, an enormous eight-year-old Great Dane arrived. It was Urk, which has been photographed and painted perhaps more times than Rin Tin Tin. He's as big as a calf with an unusually alert look about him. Most of his eight years he has spent at his master's feet, whether those feet were in the bottom of bed, travelling abroad or presiding in the legislative chamber. Urk lay down in front of us.

Senor Allessandri, known as "The Lion of Tarapaca," arrived smiling and said in perfect English: "I'm very glad to see you. I am sorry that I do not speak more English. I can read it but I can't understand when I hear it." The rest of our interview was through the interpreter.

About five foot seven in height, heavy, short necked and with very bright eyes, Allessandri spoke with vehemence, passion and vigor.

Chile has a very impressive code of social legislation and most of it is the product of Senor Allessandri's regimes.

Monthly deductions are made from the salary of every worker and put into a special government bank to provide protection for old age and unemployment. There is another deduction which has become a home building fund. There are other funds providing for medical care and hospitalization Then there are all the familiar laws about minimum wages, maximum hours, workmen's compensation, right to organize and so on.

When Allessandri put through legislation like that, both Chile and a lot of the rest of the world called him a radical of deepest dye.

Allessandri quite evidently regards this general legislative programme as his most satisfactory achievement, though he very obviously feels a lot of follow up work is very much needed.

He explained his social programmes as the only possible way to speed his country's development. At length he explained how nearly all the nations of Europe became Fascist or Communist in the chaos of the between war period. His aim had been to spare his country both, help it achieve the destiny he sees for it; the rich workshop of South America.

Communists Strong

The Hammer and Sickle insignia of Communist Russia flashes atop a building just around the corner from my hotel. There Communist party strategy is planned and its daily newspaper published. Communists — real, honest-to-Stalin members of the party—form an important part of the present cabinet, named the Front Populaire and including also people who call themselves Socialists and Radicals.

There are great goings on in government circles these days because Oscar Schnake, one of the smartest men in the cabinet, has been making speeches that the Communists must be thrown out of the government. He has just been in the United States arranging more credits and his enemies claim Uncle Sam has put him up to it: oust the Reds and we'll talk business. Another story is that Schnake, who is very pro-British, knows that the Communists have been playing along with the Nazis here.

That is one problem the Lion of Tarapaca, (Tarapaça is the name of the nitrate province for which he was long a deputy) hasn't been able to tick off his list.

And Nazis Also

Nor has he been able to spare his country from the Nazis and their various aggressive and much-in-evidence organizations. Allessandri told me of his own Italian blood. His paternal grandfather was an Italian. Elsewhere I have heard about the tongue thrashing he is reported to have given Mussolini a year or so ago for his flirtations with Hitler.

The Allessandri record includes being overthrown and exiled by a dictator, Ibanez, then returning to overthrow the dictator and restoring the constitution. It also includes the suppression of the 1938 Nazi revolt. The Nazis started the firing, but under heavier government fire dropped their weapons, walked out into the square — just around the corner from where I'm writing now—their hands in the air. They were ushered back into the building from whence they had come. Later ambulances removed 69 corpses. People here are still convinced—as I am —that Allessandri does not like Nazis.

How is Chile going to develop a middle class; get more spending power into the pockets of more of its people, slough off its essentially two-class social pattern? My interpreter translated the question to Allessandri.

World's Worst Carousers

Strict application of the laws he had framed regarding drunkenness was the first thing he mentioned. Up to the war, Chile was third largest consumer of alcoholic beverages, after Italy and France. Likely it is the world's biggest consumer now. Everyone here talks about the payday binge of the laborer and the inevitable semi-starvation of the following week. Chilean wines are winning world fame. Some of the best are about 50 Canadian cents a quart, but chicha is a super-cheap producer of gutter drunks. No plant here expects to have its full work squad on the job Monday.

The ex-president is very bitter about Chilean drinking, believes it is one of the key factors in the national life. Ever since he started his crusade he has toasted kings and lesser people in water.

We didn't get much further as to how the emergence of a strong middle class with purchasing power on semi-North American standards might be achieved.

So far the only middle class that has developed in this country are the office and store workers and the civil service. And 800 pesos (about $25 Canadian) a month is the going wage for such workers. One result of such wages is that there is a great demand for secondhand clothing among office workers; another that they live mainly on beans and bread and may have meat once a week. Still another result is that the more avaricious have two or three jobs to fill out the other hours of day unoccupied by the main job, and to get meat perhaps twice a week.

Senor Allessandri's picture of the Chile that is to be is very largely industrial. He pointed out that Chile is the world's largest exporter of copper, that metals of almost every kind have been discovered somewhere along the Cordillera and that vast areas have yet to have serious prospecting or exploitation.

There is iron, vast and for the most part undeveloped water power resources and enormous coal reserves. And Chile has things like tungsten, molybdenum and vanadium, key alloys of steel.

I pointed out to his Excellency that Peru has cotton and Argentine is a vast country with few metals and little water power. I outlined the hope I have heard here in several informed quarters that some co-ordinated plan of development for South America might be worked out; that full use might be made of Chile's power resources, of Peru's cotton, for instance, and full use of something else from Argentina.

Dreamers and theorists—lovely, but a League of Nations soap bubble, was the theme of "the Lion's" reply. Chile has her own rich destiny to work out he said. Something might come, but Chile could not depend on it. She must go on developing on her own.

To a good deal of our interview Allessandri asked that I make no reference. He denied that he would ever again be in a position to serve his country officially. Not everyone here seems to agree with him on that.

On one point they will agree, however, and that is the smallness of Canada's trade with this long strip of country.

Our total exports were worth but $600,000 in 1938. The reason is not hard to find. The Chilean and the Canadian economies are essentially competitive and where they are not, Chile is trying to make them so. At present both Canada and Chile are basically trading nations largely in raw or semi-raw materials. But Chile is working hard toward something approaching self-sufficiency. Already her agricultural production is well diversified.

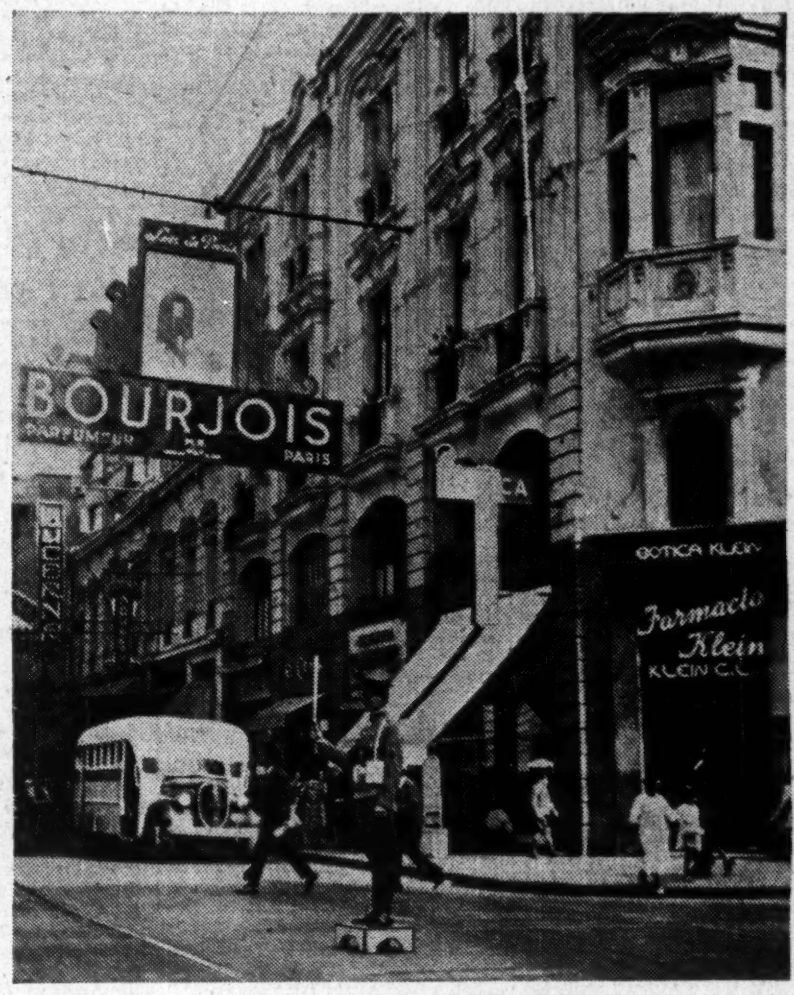
But Chilean Government figures and officials along with British traders and agents are all unanimous that Canada has machinery, newsprint and specialties that Chile would like to have in large volume. And, of course, we have newsprint that Chile needs.

Everywhere I go I meet people who say, "No, there isn't much more business for Canada down here. She's got as

(Continued on page 13)

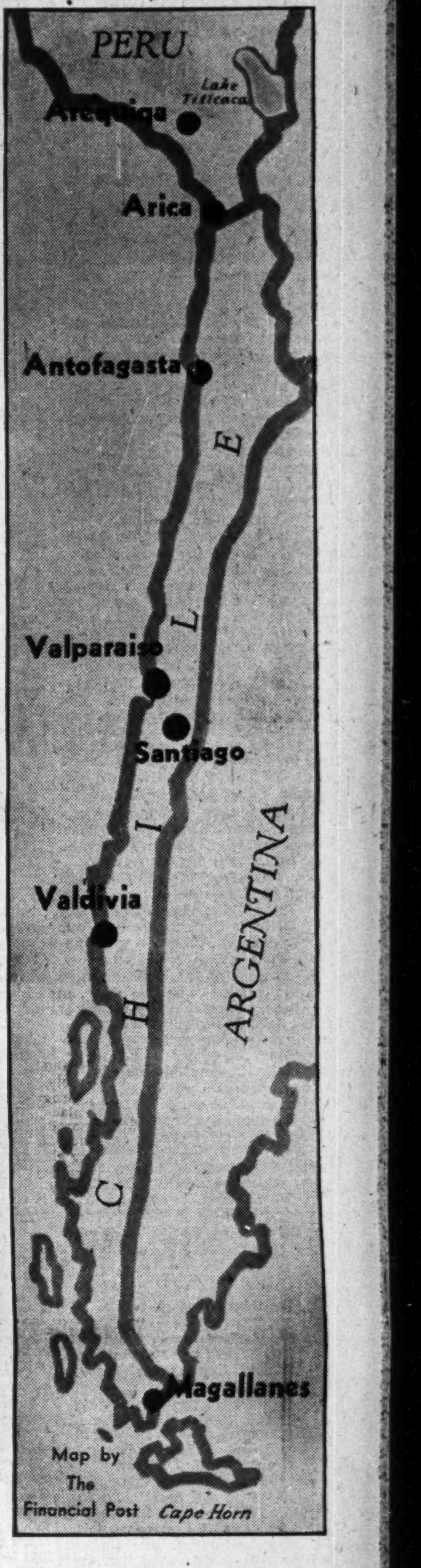
—Photo courtesy Chilean Consulate.

Though synthetic nitrates have made the natural product much less important than in the first Great War, the export of Chilean nitrate of soda is still big business. Photo shows railroad yards at Tocapilla.



—Photo by George T. Cockshutt, Brantford.

"Santiago is a modern city of a million people, superb wide avenues with thousands of motor cars, buses and trams."



Map by The Financial Post

Hitler's Unpaid U. S. Allies

Canadians are vitally concerned in the full aid for Britain which President Roosevelt has pledged from the United States. And they are heartened by evidence that the great majority of Americans have rallied behind their President, in defense of the democracies against the dictatorships.

By the same token, Canadians cannot ignore the opposing agitation in the U. S., for what may be broadly described as isolation and appeasement. While this appears to come chiefly from an aggressive, vociferous and well backed minority, the scope and strength of the movement has grown in recent months. Well-known figures in industry, finance and politics have lined up behind various phases of the campaign. New organizations, generously financed, have sprung up like mushrooms.

The avowed aims and slogans of these groups cover a wide range. They include "keep America out of war" and "defend America first and only." They also promote cutting off of all aid to Britain and making an appeasement deal with the Axis, on the basis of a negotiated peace and the "status quo" for Germany. Generally speaking, the net effect of the agitation is to hobble if not cut off entirely any U. S. contact with the war in Europe, and thus to pave the way for a Nazi victory and a "new order" of tyranny.

In producing the threat of such results the U. S. appeasers and isolationists, perhaps unwittingly in many cases, are working toward the same ends as Nazi propaganda and world strategy. And grounds are not lacking for suspicion that Nazi funds, influence and direct agitation have filtered into many channels of the U. S. campaign, if indeed they are not the inspiration and directing force in some instances. In other cases the practised hand of the Communists, expert in false-front agitation for ulterior motives, seems to have had a finger in the pie in an effort to serve Nazi-aiding Russia.

Some campaigners are pro-Nazi or impressed by Nazi pretensions to lasting control in Europe. Some are anti-British or inveigh against war loan "defaulters." Some do not care who wins as long as the U. S. keeps out and can make a deal with the victor.

The extent, nature and composition of these isolation-appeaser groups are subjects of directly urgent interest to Canadians, who perforce must keep aware of the forces at work in the worldwide struggle for democracy. The Financial Post has therefore commissioned Sydney Morrell, former chief of the Central European bureau of the London Daily Express, to make a full survey of U. S. isolation-peace deal campaign and the groups engaged in it. Following is the first of a series of articles in which Mr. Morrell, now in New York, has embodied his findings.

By SYDNEY MORRELL

NEW YORK. — When in expansive mood, Adolf Hitler used to tell his intimates his personal ideas of waging the war that was to come.

The opponent was to be struck down from within while his attention was diverted from the issues at stake. He was to be led into confusion by the careful exploitation of every internal weakness, the cultivation of class hatreds, of labor disputes and of political rivalries. . .

In his latest fireside speech denouncing the dictators, President Roosevelt made special mention of those "native Americans," who, knowingly and unknowingly, are doing the dictators' work.

Hermann Rauschning, a former high Nazi official, in his book, "The Voice of Destruction," quoted Hitler as saying:

"It will be simple to produce unrest and revolution in the United States. We have many friends there or shall find such men . . . We shall not need to bribe them; they will come of their own accord. Ambition or delusion, party squabbles and self-seeking . . . will drive them to us."

These articles will survey those "native American" organizations which might be regarded as helping Germany. It must be emphasized, as did President Roosevelt, that not all, if any, of these are knowingly pro-German. But it can be said that the objectives of these "native Americans" and the organizations to which they belong are such that it would be to the interest of Germany to foster them.

The largest group which has started a campaign to swing American public opinion to the idea of appeasing Germany is the America First Committee — or the "America First Movement," as its organizers prefer to call it. "America First" was created by a recent graduate of the Yale law school, R. Douglas Stuart, Jr., whose father is the vice-president of the Quaker Oats Co. Mr. Stuart, Jr., who is 24 years old, is national director of the movement.

The acting chairman and moving force of "America First" is Gen. Robert E. Wood, chairman of Sears, Roebuck and Co. General Wood is also a director of the National Association of Manufacturers.

At the recent convention of the Association of Manufacturers, according to the New York Times, "there seemed to be more support for General Wood's position" (of isolation) than for that of Lewis W. Douglas, president of the Mutual Life Insurance Co. and a member of the William Allen White Committee to Defend America by Aiding the Allies. Mr. Douglas formerly was Director of the Budget in the Roosevelt administration and for a time served as Principal of McGill University, Montreal.

Serving with General Wood as directors of "America First" have been:

Chester Bowles
William Castle
Dr. A. J. Carlson
Mrs. Bennett Champ Clark
Janet Ayer Fairbanks
John T. Flynn
***Henry Ford**
Bishop Wilbur E. Hammaker
Gen. Thomas Hammond
Jay C. Hormel
Gen. Hugh S. Johnson
Clay Judson
Kathryn Lewis
Alice Roosevelt Longworth
Hanford MacNider
Thomas N. McCarter
Ray McKaig
Sterling Morton
J. Sanford Otis
Dr. Albert W. Palmer
William H. Regnery
Edward V. Rickenbacker
Lessing J. Rosenwald
Edward L. Ryerson, Jr.
Louis Taber
Mrs. Burton K. Wheeler
Dr. George H. Whipple

*Mr. Ford is no longer a member of the committee.

It is interesting to note the peculiar shadings of the social and political beliefs of these members who nevertheless found a common ground on which to unite. But before dealing with them separately, let us examine the viewpoint and policies of

(Continued on page 12)

Pulp and Paper Industry

Proration Again to Fore

Clarkson, of Abitibi, Gives Views on Application of Plan Designed to Give Industry Stability

In the opinion of G. T. Clarkson, "it is proper to exclude publisher-owned newsprint mills from the prorating scheme of the provinces of Ontario and Quebec."

Mr. Clarkson, who has been receiver and manager of Abitibi Power & Paper Co. since 1932 made this statement in reply to a question from Mr. Justice McTague, chairman of the Abitibi Royal Commission, recently.

His statement regarding this controversial question showed that about 10% of the capacity of the Canadian newsprint industry, or about 400,000 tons, is owned by newspaper publishers and has been excluded from the prorating scheme. He mentioned that the question had been raised in Quebec recently whether it is equitable that these publisher-owned mills should continue to be excluded.

Exemption Justified

"In my opinion," states Mr. Clarkson, "it is proper to exclude it, and I think I am about the only one in the industry who has that view. Nearly all the other companies are of the opinion that the publisher-owned capacity should be made subject to proration just the same as any commercial mill. I have not been able to see it that way; I have felt that if the Tribune people came over here and put in a mill for the purpose of supplying their own requirements only, and did not go out into the commercial field at all, they should not be made subject to proration so long as they do not sell commercially. I do feel, however, that if after proration came into force any publisher-owned capacity is installed it should then become subject to proration."

He mentioned that this exempt group included the Ontario Paper Co. with mills at Thorold, Ont., and Baie Comeau, Que., the Spruce Falls Power & Paper Co. and Anglo-Canadian Pulp & Paper Co.

All of these mills were established before prorating came into effect, he mentions, adding that any publisher who establishes a mill now that prorating is in force should come under its provisions.

Price Cutting Alternative

In the opinion of Mr. Clarkson, Abitibi would be one of the first mills which would have to go out into the market after business if proration were to disappear. This, apparently, would mean cutting prices, something which he admitted is almost impossible to stop once started. With about 30% of the newsprint industry in Canada idle at the present, however, he saw no alternative to price cutting if the proration scheme failed.

He stressed that proration is not being fully enforced by either Ontario or Quebec. Already disregarded by a number of companies, it is becoming weaker and weaker. He feels that if this condition is not amended, or proration is discontinued, the newsprint industry will go back to the condition it was in in 1932 or '33. This question of proration is one of the most important things affecting the present value of the Abitibi undertaking.

Unsatisfactory History

Sketching the history of proration Mr. Clarkson pointed out that in its initial year, 1936, difficulties were experienced, but "nevertheless there was a quite substantial distribution of tonnage." Abnormal demand and prices made proration no problem in 1937, but he goes on to state:

"When 1938 came around Quebec enforced proration, but it was not enforced in Ontario fully. That weakened it. In that year Abitibi had some very large and important contracts expiring in the United States, and it was notified that it had to adhere to proration, and it did so, and it lost about 75,000 to 100,000 tons of its best contracts and has not got them back. That was the end of 1937. It was promised that if it adhered to the situation any loss of business it might sustain would be made good through proration. In 1938 it failed to receive 13,000 tons that it was entitled to under proration. Another company, a large corporation, was in the same position. In 1939 Quebec enforced proration. In 1939 Abitibi again failed to get about 11,000 tons that it was entitled to because proration was not enforced. At the present time it is not being fully enforced by either Quebec or Ontario; it is being disregarded by a number of companies and is becoming weaker and weaker.

"Further, I think that if proration were to let go and the price of newsprint go down, it would reduce the amount of foreign exchange which Canada needs. I want to emphasize that situation, because I feel that this question of proration is a very serious one, a very important one, from the standpoint of the industry."

FRASER COS. EXECUTIVE CHANGES

Following the resignation of Col. K. S. Maclachlan, who now is devoting all his time as Acting Deputy Minister of Naval Services, Aubrey Crabtree (right) has been elected to succeed him as president of Fraser Cos. Ltd. and subsidiary companies. At the same time L. M. Sherwood becomes vice-president, succeeding the late Donald Fraser. Mr. Sherwood will continue to hold the office of comptroller, secretary and treasurer of the parent company and subsidiaries.

Beaver Wood Fibre Plans New Addition

From Our Own Correspondent

MONTREAL. — Beaver Wood Fibre Co. of Thorold, Ont., manufacturer of pulpboard, newsboard and other paperboard products, is reported to have completed plans for a new storage and distribution building. The cost of the addition, with equipment, is placed at around $80,000.

Court Approves M. & O. Plan

Transfer to New Company to Take Place Feb. 28, 1941

Reorganization plan for Minnesota & Ontario Paper Co. will go into effect Feb. 28, 1941, according to an order recently issued by Judge Gunnar H. Nordbye in the U. S. District Court at Minneapolis. In his order Judge Nordbye confirmed the amended plan of the trustees.

The following board of directors was appointed by the court to hold office for two years:

GEORGE A. DOBBIE, Galt, Ont.
ROBERT S. WALDIE, Toronto.
J. B. FAEGRE, SHIRLEY FORD, *C. T. JAFFRAY, *R. H. M. ROBINSON, all of Minneapolis.
CHARLES S. GARLAND, Baltimore.
FRANK M. GORDON, Chicago.
SERGE SEMENENKO, Boston.
*Trustees in bankruptcy for old company.

Under the plan which received court approval, holder of each $1,000 bond would recive $500 in new 5% income bonds and 40 shares of new common. There would be cash interest adjustments of $7.50 for each $1,000 of series A bonds and $5 for each $1,000 of series C.

Holder of each $1000 of unsecured notes would receive 30 common shares, plus $7.50 in cash. Other unsecured creditors get three common shares for each $100 of indebtedness.

Holders of the old common and preferred shares get no consideration under the plan.

Capitalization will consist of $12.2 millions of 5% bonds and 1,344,544 common shares. Cash distributions will require $167.869.

A.N.P.A. Enquires Into Paper Needs

From Our Own Correspondent

MONTREAL.—American Newspaper Publishers Association has circularized all newspaper members with a questionnaire seeking information on newsprint consumption in 1940 and estimated requirements for 1941

Last year a similar survey was carried out by the association. It was then estimated that newsprint requirements for 1940 would be 5% greater than in 1939 a forecast which proved extremely accurate in comparison with the official returns.

Abitibi Plan By McPherson Is Announced

Liquidator's Scheme Leaves Bond Principal and Stocks Unchanged

Before public hearings of the Royal Commission enquiring into the affairs of Abitibi Power and Paper Co. ended Jan. 8, R. S. McPherson, liquidator of the company, presented his ideas of a practicable reorganization plan at the suggestion of the Commission itself.

Under this plan the holder of each $1,000 bond would get a new bond for the same amount, which would bear interest at a cumulative, mandatory rate of 4%. Depending on earnings and the outstanding amount of warrants which had been issued for unpaid interest, bondholders might get additional payment, ranging from 3½% to 1%.

For unpaid interest Mr. McPherson would have issued $500 in ten $50 interest warrants, while the holder of each existing bond would receive $50 in cash when the reorganization was completed.

No Change in Shares

Shareholders would be left with their present securities, while unsecured creditors would be given 25% in cash and the balance in equal annual payments, payable before any dividends were to be paid.

No income interest would be paid or any warrants redeemed or dividends permitted or capital commitments encouraged, which would reduce the net consolidated working capital below a suggested base figure which would start with $10 millions if newsprint price is $50 a ton. This would rise $1 million for each $5 increase in newsprint prices. There would be a proportionate decrease in working capital requirements if newsprint prices were reduced.

Redeem Debt

Until the outstanding debt is reduced to $48 millions, including both principal and interest warrants, and the principal of the bonds themselves reduced to $36 millions, the company would be obligated to use any cash on hand in excess of $5 millions for the redemption of bonds or interest warrants. All payments would be made in Canadian funds only.

Bondholders should have the right to elect a majority of directors, he considers, until the outstanding debt is reduced to the figures mentioned. If mandatory interests on the bonds be unpaid for 60 days, bondholders would regain their right to elect a majority of the directors.

His scheme would leave, according to his estimates, a maximum annual bond interest, before retirement of interest warrants of $3.6 millions. After the interest warrants were retired, this would be reduced to $2.4 millions, while mandatory interest at 4% would amount to $1.9 millions.

Could Adjust Shares

Mr. McPherson does not contemplate that the present capital structure should be left unchanged indefinitely, pointing out that this could be altered at any time considered desirable.

No dividends would be paid on preferred or common stocks until the debt has been reduced to the figures mentioned, while dividend payments would also be subject to the working capital provisions applying to bond interest. A sinking fund would be set up which would provide that, after the debt has been reduced, 25%, of earnings, after depreciation, income tax and bond interest, be set aside for the redemption of bonds or interest warrants.

At the closing session, Gordon Taylor of A. E. Osler & Co. stated that his firm and its clients had deposited their bonds with the Bondholders' Protective Committee, even though they strongly objected to the Committee's course of action. He was sympathetic with the plight of shareholders, although admitting that bondholders had every legal right to foreclose on the company's assets. Mr. Taylor felt that income bonds would be preferable to those drawing mandatory interest.

U. S. Paperboard Output Lower for November

From Our Own Correspondent

MONTREAL.—Production of paperboard in the United States for Nov., 1940, amounted to 443,274 tons. This was equivalent to 73.9% of the rated capacity of the mills reporting. For the same month last year production totalled 482,808 tons or 79% of capacity.

For the first 11 months in 1940 the U. S. paperboard mills produced 6,498,861 tons and operated at 71.7% of rated capacity. This contrasts with an output of 6,250,643 tons, or 69.3% of capacity, for the like period of 1939.

Canada Dominates U. S. Newsprint Market

From Our Own Correspondent

MONTREAL.—United States imports of newsprint paper from all countries in November totalled 257,019 tons. Of this quantity Canada supplied 244,253 tons; Newfoundland 12,194 tons, and Finland 572 tons.

On the basis of valuation, imports from Canada were worth $11,176,103; Newfoundland, $518,449, and Finland, $16,731, an overall total of $11,711,283.

Pulp Convention For Jan. 29-31

Association to Eliminate Entertainment Features in Montreal Meeting

From Our Own Correspondent

MONTREAL.—Annual convention of the Canadian Pulp and Paper Association will be held in Montreal Jan. 29-31. The usual entertainment features have been eliminated.

E. W. Tinker, executive secretary of the American Pulp and Paper Association, New York, will deliver a paper on "The Impact of The War on The Pulp and Paper Industry in the United States" at the Wednesday luncheon.

The Thursday luncheon will be a joint meeting of the technical and woodlands sections and executives of the industry. The speaker will be Westbrook Steele, executive head of the Institute of Paper Chemistries.

To Present Awards

Presidential report will be delivered by F. G. Robinson, at the annual luncheon of the Association on Jan. 31, covering activities in the past year. Medal awards for papers submitted by members of the technical section will also be made at this luncheon. The Weldon Medal, donated annually by A. L. Dawe, will be presented to E. G. Kirby, of the Ontario Paper Co. The Howard Smith Medal, donated annually by Harold Crabtree, will be presented to A. C. Rogers of Fraser Cos. Ltd.

To Deliver Papers

Technical section, comprising mill managers, superintendents, chemists and engineers, will be under the chairmanship of V. H. Emory, Fraser Cos. Its sessions will be devoted to operating problems of the industry. Special papers will be given by Dr. H. E. Fritz, of the Goodrich Rubber Co., on "Synthetics." Dr. J. S. Bates, former chairman of the technical section, will deliver a paper on "Canada's Future in Pulp."

Discuss Mill Operations

Group discussions will be held Jan. 31 under the 12 standard committees. Questions of operating difficulties and methods covering all phases of mill operations will be discussed.

Woodlands section of the association will be under the chairmanship of L. A. Nix, Bathurst Power and Paper Co. The section will hold a three-day session on problems of cutting technique, logging, skidding and other problems.

Pulp-Paper Bonds Recover in 1940

Year-end Prices Well Above Low, But Still Under High Point

From Our Own Correspondent

MONTREAL.—Canadian pulp and paper bonds closed 1940 fractionally under their high for the year, but, in many cases, substantially above the low.

In the newsprint group, Abitibi 5's closed the year 27 points above the low. On the same basis, Consolidated Paper 5½'s recorded an advance of 23½; Lake Saint John 5½'s, 40 points; Minnesota & Ontario 6's, 23 points and Lake Saint John 5's, 21 points.

Trend of Values

The 1940 price range of the pulp and paper bonds follow:

1940 Price Range	Close	High	Low
Abitibi 5%	69¾	72½	42½
B. C. Pulp 6%	90½	98½	78
Brown 5½%	49	64½	33½
Can. Paper 4½%	100	102½	97
C. I. P. 6%	102	104	93½
Cons. Paper 5½%	70	74½	46½
Donnacona 4½%	75½	84½	66½
Dryden 6%	99½	101	93½
Fraser 6%	98	100	88
Great Lakes 5%	93½	94½	80
I. P. Nfld. 5%	92	100	88
Lake St. John 5½%	91	91½	51
Do., 5%	68	74½	47
Mersey 5%	98½	99½	94
M. & O. 6%	53	58	30
Price 5%	97	99½	90
Do., 4%	84	105½	83
Restigouche 6%	97½	87	99
Rolland 4½%	102½	104½	100
H. Smith 4¼%	103½	104½	98

Income Taxes

● Are you claiming all the deductions which the Law allows?

Our Income Tax Department is thoroughly experienced in the preparation of Income Tax Returns. The service is available for a moderate fee.

We prepare Returns for hundreds of others. Would it not be a relief to you to have us attend to yours?

THE ROYAL TRUST
COMPANY

41030

Crown-Zellerbach Cuts Bank Loans

From Our Own Correspondent

MONTREAL.—Since beginning of the year an additional $1 million of long-term bank loans has been repaid by Crown Zellerbach Corp. The prepayment represents the maturity due Feb. 1, 1942, and reduces the total bank indebtedness to $10,150,000.

The company made a similar payment of $1 million on Nov 8 last.

Consolidated Paper Issues More Stock

From Our Own Correspondent

MONTREAL.—Consolidated Paper Corp. advises the Montreal Curb Market that during December the company issued 3,902 shares of capital stock, in payment of interest, making a total of 2,549,941 shares now outstanding.

Total amount paid on the loans during the company's current fiscal year to date is $3,650,000.

CREDIT HAZARDS
BEYOND CONTROL

MANUFACTURERS and Jobbers do not insure their receivables because of credit losses which they *expect*, but to provide for the *unexpected*.

One policyholder says: "By far the greatest danger and most losses result from causes *that develop after goods are shipped* or *were not apparent* at that time."

Another policyholder says: "Credit Insurance protects against a hazard completely beyond our control once the merchandise is moved out of our hands into those of the customer."

Credit Insurance

reimburses you when debtors default on goods shipped under coverage of the policy. Reorganizations, as well as insolvencies, are covered, and past-due accounts are liquidated.

Today's trade conditions make credit protection more desirable than ever. Inquire about the many forms of coverage now available.

CANADIAN DIVISION
AMERICAN CREDIT INDEMNITY
COMPANY OF NEW YORK
Executive Offices: Baltimore, Maryland

Toronto Office
The Metropolitan Building
Phone: ELgin 9303

Montreal Office
Canada Cement Bldg.,
Phone: LA. 3258

Sherbrooke, Quebec
48 Montreal Street
Phone: 815J

The Way of the Appeasers

(Continued from page 11)

"America First" as a group. They were summarized recently by General Wood himself in a speech before the Chicago Council on Foreign Relations:

"There is no danger of invasion of the United States even if Germany is completely victorious, and I doubt if she will be.

"If at the end of a long war, we cannot defend ourselves unaided by Britain, we do not deserve to survive.

"As for Asia, the same remarks pertain as to Europe. Japan needs us far more than we need her. Our trade with Japan, incidentally, runs between five and six times the trade of China whom we are making such great efforts to help.

"Our true mission is in North and South America. We should develop Mexico and, if need be, use force to assure friendly governments there.

"You may disagree violently with Colonel Lindbergh, you may feel that he has made serious mistakes. But you have no right to denounce a courageous, patriotic American citizen as a traitor merely because he disagrees with your views.

"Edged Into War"

"We are being edged into war without the masses' knowledge. Our entry into war now would be a repetition of 1917. We would be pulled all the way in.

"I need not refer to our treatment by our former Allies after the Armistice. They took the loot, and we did not even get thanks.

"I do not think the American people should make these sacrifices to interfere in the quarrels of Europe and Asia, old, sick and overpopulated continents with ancient rivalries that cannot be healed."

Many of these statements appear similar to extracts from any manual on propaganda doled out by the Institute of Germans Abroad in Stuttgart. Fortunately for Americans, President Roosevelt and others have dealt with the inaccuracy of General Wood's statement that there is "no danger of invasion," by pointing out that such people are still thinking in terms of actual armies and not in terms of internal revolution.

So much for General Wood's statement of policy. Sears, Roebuck and Co., incidentally, is listed by the Anti-Nazi League as one of the few U. S. department stores which still handle German goods.

Leading Directors

Foremost among the others who have been acting as directors are:

William R. Castle, a former Assistant Secretary of State and well known as an adviser of the Republican party on foreign affairs. A determined isolationist, a semi-Fascist, who is said to have told intimates that he believes Germany will win the war, Castle is also in favor of friendly relations with Japan. His family hold large sugar interests in Hawaii, although this may have nothing to do with his Far Eastern policy.

Castle is a friend of Colonel Lindbergh, who has addressed meetings all over the United States under the sponsorship of the "America First" committee. He denies, however, that he has written Lindbergh's speeches for him. Mr. Castle wants the "America First" movement to convince the American public that it stands apart from the pacifism of the idealists and left-wingers. He is having some difficulty with this, however, owing to the presence among the directors of Kathryn Lewis, daughter of John L. Lewis, Pooh-Bah of the C. I. O.

Mrs. Bennett Champ Clark. Her husband's record in voting on national defense measures has been criticized severely.

Janet Ayer Fairbanks, Chicago socialite. Formerly one of the liberal, pro-British, Chicago Daily News group, she swung to complete isolation when threat of the United States entry into the war became apparent. She has several sons.

John T. Flynn, orthodox economist and an ardent Irish republican. Flynn is opposed to the entire defense programme. This is curious in view of the fact that "America First" calls for complete rearmament.

Henry Ford. His connection with "America First" was ended at the turn of the year. At one time it was said he had guaranteed $3 millions for the committee's work. From Chicago on Dec. 30 it was reported that Ford had been "quietly dropped" from the committee. The Ford sales department is known to be concerned over the effect of Mr. Ford's isolationist reputation on Ford sales.

Jay C. Hormel, industrialist. Strongly isolationist and friendly to pro-Nazi groups in Wisconsin. Active on policy committee at the National Republican convention.

Alice Roosevelt Longworth, daughter of the late President Theodore Roosevelt. An isolationist, she is not an admirer of F. D. R. Her sister-in-law is the mother of René de Chambrun, Laval's son-in-law.

Republicans Active

Thomas N. McCarter, New Jersey Republican, utility magnate. Considered extremely isolationist.

Hanford MacNider, former head of the American Legion and one-time U. S. minister to Canada. A Republican politician who was in the running for the recent Presidential nomination. He has long been known for his isolationist tendencies. His position in the American Legion makes him one of the most powerful members of "America First," in so far as he is able to swing the Legion along appeasement lines.

Rev. Albert W. Palmer, of Chicago, recently urged the United States to take steps to end the war. Following are extracts from an article he wrote in the Christian Century":

> "Let the United States, therefore, call all the remaining neutrals together at once and outline the main points of a decent post-war order. . . . Let the U. S., as part of its contribution and an earnest amount of goodwill, offer to appropriate for the next five years the four billion dollars a year now contemplated for defense, to be used instead as a rehabilitation fund for Europe and China and to be expended by an international commission. . . .
>
> "Menacing things are being said about what Germany will do to us if they win. But do they represent a calm objective appraisal? Are they not partly born of war hysteria, tinged with fear and promoted by propaganda, rather than a reasonable view of our future position if we maintain unquestionable neutrality and fair dealing? . . ."

Edward V. Rickenbacker, president of Eastern Airlines and a close friend of Henry Ford. He was an American flying "ace" in France in the last war.

Lessing J. Rosenwald is the Philadelphia head of Sears, Roebuck & Co. Known as the most conservative member of his family, Rosenwald is now said to be anxious to resign from "America First."

Louis Taber, National Grange Master. Represents Mid-West isolationism and through the Grange has many German connections. He is a friend of Herbert Hoover.

Sterling Morton, Chicago, chairman of the industrial division of the Republican National Committee. He is secretary and a director of the Morton Salt Co. and has other interests in industry and investment.

Edward L. Ryerson, Jr., of Chicago, iron and steel manufacturer, is a trustee of the Carnegie Endowment for International Peace and of the University of Chicago. He is a director of the Quaker Oats Co., the vice-president of which is the father of R. Douglas Stuart, Jr., national director of "America First."

Dr. George H. Whipple, professor of pathology and dean of the University of Rochester school of medicine and dentistry since 1921, is a trustee of the Rockefeller Foundation.

Advertising Firms Help

Chester Bowles is a partner of Benton & Bowles Inc., one of the three advertising agencies handling advertising, publicity and public relations for "America First." His partner and founder of the firm, William B. Benton, is credited with having prepared the first advertisement of "America First" and with taking the stand that "smart money" in the United States is on the side of isolation. Mr. Benton is vice-president of the University of Chicago.

The other two agencies allied with Benton & Bowles in this work are Batten, Barton, Durstine & Osborne Inc. and Ruthrauff & Ryan Inc. All three are said to be handling this "special account" very gingerly, and it is suggested that they would not do so at all if the directors of "America First" did not include some very important clients.

In addition to the advertising agencies, "America First" has also taken on a full-time publicity agent named Herzberg, who compiled and put out "Uncensored," a pacifist, radical, anti-British "news letter." This was sponsored by John T. Flynn, a director of "America First."

Influence at Washington

The influence of "America First" has been extended directly into the U. S. Congress through the committee's Washington lobbyist, William W. Blackney. This is a Michigan Congressman who has boasted of voting against the conscription bill. The contacts and influence maintained through Mr. Blackney are supplemented by other contacts through:

Hamilton Fish, Jr., Republican Congressman from New York,

William R. Castle, an adviser on foreign affairs of the Republican party and a director of "America First."

Dorothy Detzer, of the Women's International League for Peace, through whom R. Douglas Stuart, Jr., promoter and now national director of "America First," is said to have first got in contact with General Wood, acting chairman of the committee.

Senator Bennett Champ Clark and **Senator Burton K. Wheeler,** whose wives are directors of "America First." Both senators are strong isolationists, on their own account, and Senator Wheeler had a speech by General Wood on foreign policy several months ago read into the Congressional Record 10 days after it was delivered.

Senator Robert M. LaFollette, Jr., of Wisconsin, Republican-Progressive leader of political opinion in the American Mid-West.

Broad Campaign

In the wider channels of public influence, the "America First Committee" has also established contacts and collaborators. Outstanding among these both for his position and influence is Col. Robert R. McCormick, publisher of the strongly isolationist Chicago Tribune. In the past the Tribune has been widely rated as anti-British, certainly in its policy in regard to war loans and American aid to Britain, and in opposing American participation in the war.

The main facets of the "America First" campaign have been mainly reflected along the following lines:

1. Paid advertisements in newspapers.
2. Radio propaganda in the form of debates, such as that between General Wood and Governor Lehman of New York.
3. A film entitled, "Which Way America?".
4. Local broadcasting of transcribed speeches by Committee speakers.
5. A drive for each member to enlist three others.
6. Pamphlet propaganda.
7. Doing the "great patriotic job of exposing British propaganda concerns."

Later articles in this series will tell of the other major groups acting as spearheads of the U. S. agitation to keep America out of war, withhold aid from Britain and make an appeasement or negotiated peace deal with Germany. They will throw full light on promoters, backers and methods. An early article will deal with the No Foreign War Committee directed by Verne Marshall, Iowa newspaper editor, whose contact with W. R. Davis, negotiator of Mexican-German-Italian oil-barter deals, has been the subject of widespread publicity.

Abitibi Power & Paper
Company, Limited
TORONTO, ONT.

Owning directly or through subsidiary companies,
mills at

Beaupre, Que.
Pine Falls, Man.
Sault Ste. Marie, Ont.

Iroquois Falls, Ont.
Smooth Rock Falls, Ont.
Fort William, Ont.

Port Arthur, Ont.

Newsprint
Groundwood Pulp
News Sulphite Pulp
High Grade Bleached Sulphite Pulp

HEAD OFFICE TORONTO

Confederation Life
Reports
Another Good Year

The forthcoming annual report shows that sound stewardship, traditional with Confederation Life for 69 years, has been fully maintained during 1940.

Largest gain in Insurance in force in last five years.
Mortality below average of past 10 years.
Lowest expense rate in the last 10 years.
Interest earned on invested assets 4.46%.

1939		1940
$431,478,374	Insurance in Force	$445,087,729
130,301,125	Assets	135,686,105
48,604,501	New Business	49,390,099
2,650,892	Surplus earned	2,554,991
8,930,179	Total Surplus	8,657,891
13,512,920	Premium Income (excluding Single Premiums)	13,919,018

STRENGTH • SERVICE • SECURITY

Since 1871

CONFEDERATION LIFE
ASSOCIATION
ONE OF THE WORLD'S GREAT LIFE INSURANCE INSTITUTIONS

Jobless Plan Ready by July

Selection of Executive Officers Speeds Organization Work

Selection of the four chief executive officers to carry out Canada's unemployment insurance plan under the Unemployment Insurance Commission will enable organization work to be carried on more rapidly. For months the Commission which will administer the plan, has been working away at Ottawa in association with members of the Labor Department drafting regulations and working out necessary details. Illness of Dr. Joseph Sirois, chairman of the commission, has been a handicap recently, but Arthur Macnamara, of Winnipeg, has been pinch hitting in his place with the other members of the commission.

The four officers, whose appointment has just been announced, are Dr. Allon Peebles, of Victoria, as insurance director; R. G. Barclay, of Ottawa, as chief insurance officer; Ernest C. Desormeaux, of Ottawa, as bilingual secretary; and Dr. J. S. Hodgson, of Montreal, as executive assistant to the Commission.

Dr. Peebles was formerly chairman of the British Columbia Health Insurance Commission. Mr. Barclay has been in rehabilitation work with the Dominion Government since the last war. Mr. Desormeaux has been secretary-treasurer of the Ottawa Separate School Board for nearly 20 years. Dr. Hodgson in the Department of Labor, assisted in drafting the Unemployment Insurance Act.

With no unforeseen handicaps it is expected organization will have advanced sufficiently to get the system into operation by July 1.

To Build Soundly

Those working on the plan, it is understood, are anxious to build soundly even if it be necessary to go a little slowly. Some idea of the work to be done may be had from the estmates that contributions of employees, employers and the Government in the first year will amount to about $60 millions yearly, while approximately 2.1 million persons will be covered by the fund when it is established.

In addition the Dominion Government will bear the cost of administration estimated at about $5 millions a year.

Federal officials it is understood are anxious to see the plan get under way as soon as it can with due regard to sound organization. One official is quoted recently as saying that every week's delay means a loss of $1 million. Finance Minister Ilsley also stated in the House of Commons that the fund would be useful in helping to finance the war as with few people unemployed during the war there would be practically nobody to draw benefits.

Regional Superintendents

The next step in organization, it is expected, will be the appointment of regional superintendents. There will probably be five areas under these officers. These areas will coincide roughly with the five economic areas into which Canada is usually divided, including the Maritime Provinces, Quebec, Ontario, the Prairies and British Columbia. Each area will be under the supervision of the regional superintendent, who will be in charge of insurance matters as well as employment offices. Branch offices it is expected will be established in provincial centres so that every part of the country will be served. It is expected that full or part time offices may be opened in some of the new communities that have sprung up around munitions factories.

In addition to the regional superintendents and insurance officers in the different areas, panels for courts of referees will have to be drawn up to deal with disputes which may arise.

Before contributions will be accepted from employees and employers it is probable the whole financial basis of the act will be scrutinized by the advisory committee headed by Dr. W. A. Mackintosh and including V. R. Smith, general manager of the Confederation Life Association.

System of Operation

System of operation worked out earlier by permanent officials of the Labor Department, it is understood, still stands fairly well. Suggestions that contributions be made on a percentage basis of the worker's pay rather than a stated weekly amount for all workers in a certain wage group, favored for a time, are likely to be abandoned, it is understood. There will probably, however, be modifications and improvements in the plan as the whole situation develops.

Efforts, it is understood, will be directed toward making the bookkeeping necessary for employers as simple as possible. With this object, unemployment plans in vogue in Great Britain and in the United States have been studied carefully and what is thought desirable is being taken out of each.

One difficulty that is apparent at present is the difficulty in getting accommodation in Ottawa. The war departments need plenty of room and their demands have taken much of the new accommodation it was thought would be available for the unemployment insurance personnel. Consequently their offices are rather congested.

Fire Insurance Problems

Depreciation

My partner and I have our plant insured for $20,000, and we estimate that it is worth that much to us. We have, however, written off depreciation each year and show the value in our books at $14,000. How would this affect our fire insurance? Would we be able to collect only the $14,000 or how much?

The value you place on your property in your accounts has nothing to do with the amount of insurance you would collect. Some firms may show their plant value as $1 in their books but it might be worth thousands of dollars. The amount of insurance money the owner would receive is based on the actual cash value at time of loss or damage at the time of the fire, not exceeding the amount of insurance carried. Records of cost, etc., are valuable in arriving at the actual cash value but not necessarily decisive. Depreciation would, of course, be considered in arriving at actual value. In event of any difference of opinion between the insurer and the the insured the case would be submitted to arbitration.

The
WAWANESA
Mutual Insurance Company
Assets Exceed ... $2,600,000.00
Surplus 1,330,363.89
Dominion Govt. Deposit exceeds 1,000,000.00
Wawanesa ranks 1st against all Companies operating in Canada on Net Fire Premiums Written according to Dominion figures for 1939.
Head Office: Wawanesa, Man.
Eastern Office: Toronto, Ont.
Branches at Vancouver, Edmonton, Saskatoon, Winnipeg, Montreal and Moncton
2,000 Agents Across Canada

United States
Fidelity & Guaranty
Company
TORONTO

Life Insurance May Set Record

Business in Force Estimated at Approximately $7 Billions

While not giving any exact figures of the insurance experience in Canada in 1940, G. D. Finlayson, Dominion Superintendent of Insurance, states that new life insurance written in 1940 will probably prove about identical with that of the previous year; amounting to $588.5 millions.

Business in force, however, will probably show a substantial increase which may bring the total to approximately $7 billions, a new high record. This would mean a gain of over $200 millions in business in force for the year.

In 1930 the amount of insurance in force was just under $6.5 billions so that a gain of $500 millions is indicated over the period which included the worst years of the depression.

Board of Trade Names Officers

Montreal Organization Appoints H. C. Beatty Secretary

From Our Own Correspondent

MONTREAL.—H. C. Beatty has been named secretary of the Montreal Board of Trade, succeeding the late J. Stanley Cook. Mr. Beatty has been assistant secretary since 1921. He joined the staff of the Board in 1919, after returning from service in the Great War.

C. D. Harrington, first vice-president of the Board of Trade will succeed C. H. G. Short as president for 1941 if the long-established custom of naming officers of the Board is again followed this year.

By the same method Paul A. McFarlane will become first vice-president; W. Taylor-Bailey will be named second vice-president.

London Life Continues Dividend Scales

The London Life Insurance Co. announces that its dividends for premium-paying industrial and ordinary life insurance policies are being continued on the same basis as last year. The rate of interest to be used on accumulating funds is also the same at 4%.

Montreal Brokers' Loans Lower For December

From Our Own Correspondent

MONTREAL.—Collateral borrowings of member firms on the Montreal Stock Exchange amounted to $5.7 millions at the end of 1940, a decrease of $213,516 from the previous month's figure. Loans a year ago amounted to $11.7 millions.

Fire Losses Seen Lower

Fire and Casualty Premiums Show Increase — War Affects Companies

Premium income of the fire and casualty insurance field in Canada in 1940 will probably show an increase of 5% to 10% over 1939 when total results are computed, according to G. D. Finlayson, Superintendent of Insurance for Canada. Net premiums for fire insurance in 1939 were $41 millions and for casualty insurance just under $40 millions, a total of $81 millions. An increase for 1940 to over $85 millions is expected.

The fire loss ratio, he stated, continued favorable and will probably be around 35% as compared with 38% a year ago.

Casualty loss ratio will, however, probably be increased by an adverse experience in automobile and hail insurance lines.

British and Foreign Companies

Anxiety in some people's minds regarding insurance companies doing business in Canada which had their head offices in France, and even regarding those with head office in Great Britain, he said, was due to lack of understanding of the situation. Primary security was afforded the insuring public, he stated, by these companies being required by Dominion laws to maintain assets on deposit with the Dominion Department of Insurance to the amount at least of their liabilities to policyholders in Canada. These assets must be available in event of need for the reinsurance of Canadian business of these British and foreign companies with other companies, not under that compulsion. The margin of security provided, in his opinion, was liberal.

As one country after another in Europe passed from the category of neutral to enemy nationality, he proceeded, all companies found it necessary to revise their reinsurance treaties drastically to comply with the trading of the enemy regulations. Accordingly they had to substitute for enemy treaties reinsurance with other Canadian, British or foreign companies.

H.I.P. Results Are Issued

Final Figures on Four Years Operations of Plan Announced

When the Dominion guarantee for Home Improvement Plan loans was terminated as of Oct. 30, 1940, nearly 126,000 loans had been made for a total of just under $50 millions. This is shown by final figures issued by Hon. J. L. Ilsley, Minister of Finance, covering operations of the H.I.P. since its inception in Nov., 1936.

The Home Improvement Plan provided for loans through the banks and approved lending institutions for renovation or improvement of residential properties in urban centres, and of farm properties in rural districts. The government guarantee against loss or default amounted to 15% of loans up to a total of $50 millions, but actually losses and administration costs combined did not amount to more than about half of 1% of the total loaned.

Mr. Ilsley's final report shows that the amount loaned up to the end of October, when the guarantee was withdrawn, was within $10,000 of the authorized total of loans to be covered by the guarantee. Loans in Oct., 1940, amounted to $2.4 millions, about half of which was loaned in Ontario.

Results of the plan's four years of operation are summarized below.

H. I. P. Loans by Years

Nov.-Oct.:	No. of loans	Amt. loaned
1936-37	29,963	$11,721,129
1937-38	27,914	11,429,681
1938-39	35,374	14,591,916
1939-40	32,401	12,247,894
	125,652	$49,990,620

H. I. P. Loans by Provinces

P. E. I.	1,107	$ 268,013
Nova Scotia	8,470	2,593,103
New Brunswick	4,372	1,421,578
Quebec	18,541	9,338,441
Ontario	60,350	24,076,294
Manitoba	8,126	3,197,710
Alberta	2,382	904,480
Saskatchewan	9,551	4,165,181
British Columbia	[illegible]	[illegible]

Chile—Where 'Isms Strive For Control

(Continued from page 11)

much as she can properly handle now." That answer is easy but is not necessarily satisfactory.

Here in Santiago I stumbled upon two situations that would not likely be uncovered in a theoretical analysis of the trade picture.

The first one:

Because the Chilean market has never been a very large one, when looked at in the trade figures, few foreign firms have bothered to do more than name an agent, if they did that. The agent was provided with a catalogue and a set of prices and if he wasn't forgotten, neither did he get dynamite in his breakfast roll if the home office seldom heard of him.

The story I heard concerned General Electric and its electric motors branch. General Electric broke all the rules and traditions of the foreign company in Chile by putting in a big stock of motors and parts. Up to then, the idea of putting in a stock and having anything ready to sell off the floor had been almost heretical.

Remember that Chile is a long way off for everything except by the airplane and it's got to be some very vital project before buyers will pay airplane freight rates. And remember that Chile in the past five to ten years has been undergoing a major industrial revolution.

General Electric remembered things like that. When men came in to buy motors or get parts they might not like the price General Electric was asking. But General Electric nearly always sold. It had only to point out that the alternative, though probably much cheaper, was 5 to 12 weeks away; and that buying off the floor was a great deal simpler, etc. Other people are beginning to think about giving their agents down there stocks, especially because of the difficulty in some cases of exporting profits.

And the second angle that interested me was the importance of having enough roots in a place so as to know where to look for business. If an agent is all set up with a floorful of machinery he is naturally going to be more concerned about moving that machinery than if he has to pull a catalogue out of the bottom drawer.

Missed the Ad.

Yesterday—or the day before—an American firm got a very nice contract of over $4 millions for some coal mining equipment down south of here. The bid for tenders had been published in the daily papers, but the local agent for everybody else had apparently missed the ad. It was easy for the U. S. outfit.

I was talking about these cases with a British exporter of belting. His comment was that his firm—in existence for a couple of hundred years—had previously contented itself in examining export possibilities, with taking the total trade figures for its lines, then toting up freight, insurance, tariffs and all the rest and making up its mind in head office at home whether such and such a country had export possibilities.

"This is the first time they've ever sent anyone out and the only reason I'm here is because the war had had such a drastic effect on our trade at home," he said. "Things like prices, tariffs, freight and so on are, of course, vital considerations, but since I've come here I've found that equally vital is the manner in which other firms, perhaps more advantageously situated for the market, are trying to sell their wares. In some cases, it means that people with all the advantages just aren't trying to sell, at all."

Need Imagination

Now that this man sees the actual methods in which products are or are not pushed he can afford to be much less impressed with trade figures and its distribution among trading nations. It is obviously impossible for a person like myself without definite, specific experience in individual lines of trade, to detect or point out many similar situations in other trades. The only way for any individual enterprise to properly appraise possibilities here is to let their sales manager or their most imaginative sales personality, have his own look at the field. And he shouldn't be an economist or a tariff expert. Other people can give him the statistics. So far there isn't much salesmanship down here. Walking along the streets of cities like this, or Lima, or Barranquilla, or Panama, or Kingston—every southern point I have touched so far—almost every store window suggests a career with profits for somebody.

Of course there is the fundamental trouble with most of South America that I have seen so far, that purchasing power of the mass is very low—but despite this handicap volume can be built up.

Exchange Control

Salesmanship is a very big factor but not, of course, the whole story. Here in Chile, the exchange situation is very dire. It's about the same as all other exchange control systems with which we are now so familiar in Canada, except somewhat more complex and less predictable. As described to me by one man this is the way it has worked on one or two pieces of business with him. First he sells the stuff and get the order. Then he applies to the exchange control for an order which will permit him to sell the stuff. It sounds backwards but that's the way it seems to work. Then, after you have the name on the dotted line, the exchange people may or may not approve your sale.

Assume they do. Then your name and the amount of foreign exchange that will be involved is written down in a book. The explanation is that according to the order of the requests for foreign exchange and sales permits, all available foreign exchange will be allotted as it comes in. I heard of one importer of Canadian goods who under this system in the past 12 months has so far collected $3,000 of the $60,000 foreign exchange requested and approved.

Big Drive for Industries

Chile is very conscious of her rich natural resources and of the fact that so far most of the exploitation has been done by foreign capital as in the great Anaconda and Kennecott copper properties, the British-owned railroads, the American-owned trams and power systems.

But abetted by her own growing nationalistic spirit and by Uncle Sam, she is currently making a big drive to develop secondary industries and some primaries. And this will mean heavy purchases of machinery and other equipment from abroad.

An important point for traders and visitors to keep in mind is the fact that the population of Chile is basically and significantly different from that of most South American countries. There is no great block of original inhabitants.

A Different Population

Here in Santiago "Spaniards" serve "Spaniards." Further north, waiters and servants almost without exception are much more Indian than Spanish. Here served and server are nearly all alike: a mixture of Spanish Basques, with Scottish, Portuguese, English, Italian and an occasional chromosome of Indian.

Then, of course, there are the foreign groups, English, Scottish and German, for the most part jealous of their pure blood and thoroughly attached to the homeland.

Scotsmen have found this a great land of opportunity and their names are all over the place on streets, shops and industries, but apart from the foreign community group most of them are by now very Chilean.

Take Mother's Name

Here I am called Alexander. The Spanish custom is to use, as surname, first the father's family name, second the mother's—both together. Hence people are known and addressed by the name appearing in the middle. Alexander is my middle name and since few can get to first base here on McEachern, I just let them go ahead with the Alexander. The Argentine official here has been fussed the past few days trying to find me to learn my mother's family name, which his government must know before admitting me. In Buenos Aires, therefore, I shall be known as McEachern-Jamieson.

John Hardy, first cousin of Gordon Hardy, president of Falconbridge Nickel of Canada, is an interesting example of the British-Chileans. He was born here and so was his wife, but both talk with as much Edinburgh on their tongues as if they had lived there all their lives. Their daughter was educated in Britain and a son is now at Oxford. Another daughter would have been educated there too but may now come to Canada because of the war. Reputedly one of the rich families of Chile, they remain three generations of British in a foreign land. And they would not want their children to marry other than the most patent brand of Anglo-Saxons.

Santiago has embassies and consulates from at least a dozen countries. In almost every line of motor cars you will see at least one with diplomatic license plates bearing the flag of the owner's nation. Diplomatic functions are a big part of Santiago social life. As a neutral country, Chile, of course, has German and Italian embassies and despite war, diplomatic protocol demands that the representatives of enemy countries here show up together at official functions.

Problems of Diplomats

The Chilean authorities have done their subtle best to make these situations easy. It used to be that protocol and seniority arranged it that the British and German ambassadors walked and sat side by side. Since "a stiff nod with no conversation or handshaking" is rumored to be the official snub for an enemy ambassador the proximity was agreeable to no one. The Chileans have now arranged it that at least one neutral separates such representatives. Socially Santiago is not much more than a fair-sized town in size. One young and perhaps irreverent diplomatic staff man enlarged to me grimly and at length on the difficulties of keeping his back turned resolutely on the enemy at smallish cocktail parties. He says, however, that the elan and vigor of the snubs of long experienced diplomats are quite something.

The Prince of Wales Country Club here is almost entirely British. It is one place where one does not hear German talked at the next table or see Opels, Mercedes, Benz or other Nazi cars in the parking lot; and where a Briton may speak his mind bluntly and with force.

Though they seem very remote from the war here, a month away from British by ship, residents and many of them citizens of this neutral country, the British community here is on a war front of its own. Nazi and Fascist elements—currently assisted by the strong Communist party—are extremely active in trying to make Chile pro-Nazi. Almost without exception, Britishers say that they have a sense of guilt at being safe and comfortable in days like these.

Guest of Arthur J. Pack, British Commercial Secretary of the Embassy and his gracious American wife, I had the new experience of a Christmas afternoon sitting in blazing sun beside a great swimming pool. Around the pool the tea tables were set. There was a cricket ground just over the hedge with a battery of tennis courts and beyond that the golf course. Santiago's flowers are tropical in their profusion and vividness, if not in type, and every hedge and fence drip with them. Rising 10,000 ft. behind the clubhouse, their higher reaches white with perpetual snow, are the Andes.

The British and Americans here do their best to make for themselves and their children a Christmas such as they once knew, or such as they believe to exist in their homeland. There were little pine trees from the slopes of the Andes, presents, embraces, calls and all the rest.

Otherwise Christmas here is a newish creation of salesmanship. Latin America never paid very much attention to December 25 outside of the church mass the night of Dec. 24. They celebrated New Year's mildly and then did a very little gift exchanging January 6, the feast of the kings, when the wise men from the east are supposed to have arrived at the Inn with their frankincense and myrrh.

Air Traffic Mileage Increase Reported

From Our Own Correspondent

MONTREAL.—Mileage of civilian aviation flown in the third quarter of 1940 rose to 3.7 million miles from 3 millions in the second quarter, according to the Dominion Bureau of Statistics.

Extension of Trans-Canada Air Lines Toronto to Windsor line Aug. 1 was an important factor in the increase, according to the Bureau.

Passengers carried in the third quarter totalled 53,604, against 37,856 in the second quarter. Freight tonnage was 6.1 million tons, against 3.5 million tons in the preceding three months period.

MITCHELL REDEEMS STOCK

From Our Own Correspondent

MONTREAL.—J. S. Mitchell & Co. has advised the Montreal Stock Exchange that during 1904 the company redeemed and cancelled 25 shares of preferred stock, leaving a total of 2,206 preferred shares outstanding.

Canada Life Promotions

W. J. ADAMS, F.A.S., A.A.I.A.

D. M. ELLIS, F.A.S., F.A.I.A.

G. G. DALY

The Canada Life Assurance Company announces that W. J. Adams, formerly Mathematician, has been appointed Comptroller of the company, and that D. M. Ellis, Mathematician, has been appointed Assistant Actuary. G. G. Daly, formerly Secretary of the Medical Department, has been advanced to the post of Chief Underwriter.

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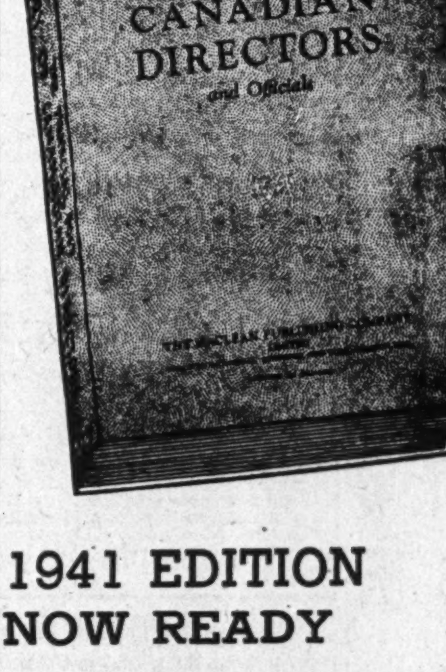
A SUN LIFE POLICY gives you this and more
It Plans SECURITY for the Time of Need
Sun Life of Canada

CONTINENTAL LIFE FOUR SQUARE
THE CONTINENTAL LIFE INSURANCE COMPANY in its annual report for 1940, shows results that are eminently satisfactory—the year's business most gratifying.
ADVANCEMENT—The new business issued during the year exceeded that of the previous year by 7.90%. The total insurance and deferred annuities in force on Dec. 31st, 1940, reached the highest figure in the company's history, amounting to $44,300,885.
BUSINESS DUTIES WELL CONDUCTED—All the Branch Offices of the Company throughout Canada maintained their proud record of most competent service. In addition to underwriting applications of 3,899 new clients, they conveyed to Policyholders and Beneficiaries payments totalling $851,149.
STABILITY—The cash and invested assets of the Company were increased during the year by the sum of $497,056. The total admitted assets at the year end also attained a new high level in the amount of $10,617,517.
The Year 1940 was one of Sound Growth—Scientific Service—Added Strength.
The Continental Life Insurance Company
JOHN W. HOBBS, President
HEAD OFFICE—TORONTO
NEWTON J. LANDER, Managing Director
Branches in Principal Cities Across Canada



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Seventy-Second Annual Meeting of Shareholders of

The Royal Bank of Canada

Morris W. Wilson, President and Managing Director, Calls for Drastic Economies by Public and Governments to Permit Full Measure of War Effort. War Savings Campaign Most Important Feature Federal Financing. Compulsory Saving Plan Logical Alternative Should Voluntary Investment in War Savings Certificates Prove Inadequate

National Income Increasing at Much Greater Rate Than Aggregate of all Taxes

Sydney G. Dobson, General Manager, Reports Expanding Commercial Loans. Bank's Profits Less With Heavily Increased Taxes. Unprecedented Business Activity But Peak Not Yet Reached

Royal Bank Fully Equipped to Meet Demands of Expanding Business and Canada's War Effort

The Seventy-second Annual General Meeting of the Shareholders was held at the Head Office in Montreal on Thursday, January 9th, at 11 a.m., Mr. Morris W. Wilson in the Chair.

PRESIDENT'S ADDRESS

Mr. Wilson, President and Managing Director, in moving the adoption of the Directors' report said:

I am sure you will receive with satisfaction the Seventy-first Annual Report and Balance Sheet just presented to you and discussed by the General Manager. It discloses a position of outstanding strength and indicates clearly the continued ability of the bank to play is legitimate part in financing the increased demands which will undoubtedly be made upon us.

We meet again under the shadow of war, and what I have to say to you today will deal mainly with certain aspects of war economy and finance. It is not necessary to discuss business trends extensively. Never was it possible to state with greater assurance that the tempo of business must increase steadily until we reach a condition of maximum production, thereby bringing into employment not only all who would be considered employable, but others who ordinarily would not be working for wages or salaries. Dislocations are bound to occur as a result of concentration of effort on production for war purposes, but these should have no substantial effect on our total economy. Under these circumstances, the approach to our problems should be an essentially different one from that which was reasonable under conditions of business depression and unemployment.

As I had occasion to point out a year ago, the transition of Canada from peace-time to war-time economy was made without financial disturbance or strain. The experience of the past year lends further emphasis to the efficiency of our financial organization and the ability with which those charged with controlling our financial policy have carried out their duties.

CANADA SOUND

Contracts for war supplies, including British supplies financed with Canadian funds, plus appropriations for new plant construction for war purposes, have already reached a figure in excess of the total amount expended by Canada for war purposes in the period 1914-18. Of the vast sum indicated, amounting to more than one billion dollars, a large proportion remains to be disbursed. It is a remarkable commentary on the soundness of our financial position that this great activity has been financed during the past year without any increase but, on the contrary, with a moderate reduction of the Canadian liabilities of the chartered banks. During this period the Canadian Government has called and redeemed Government or Government-guaranteed securities held in Great Britain to the value of about $250 million, the proceeds being used to finance British purchases in Canada.

While Canadian debt to Great Britain has been reduced to this extent, it is probable that Canadian assets in other countries, principally the United States, have not been realized upon to an equal extent. Exact information on this point is not available, but if our assumption be true, it means that on balance Canada has financed her share of the war to date without recourse to her investments abroad.

But if the problem of financing our war effort has so far been easily handled, this should not imbue us with complacency. We have been catching up on unemployment and preparing for maximum production, but in the year before us the financial problem will be more difficult. In periods of depression, expensive monetary policies can be made effective only with the greatset difficulty and over long periods, but credit expansion is almost inevitable in boom periods, and particularly in a war boom, when the colossal requirements of military forces must be supplied with the minimum of delay and regardless of cost. In these circumstances, the situation calls for drastic retrenchment under all other headings, so that the maximum effort may be devoted to war purposes. I feel apologetic for laying such emphasis on what is obvious, but I fear that it is a precept which, if understood, is nevertheless not being fully carried out in Canada at the present time. There is little evidence of restriction of even extravagant expenditures on the part of the public as a whole, except insofar as this line of action has been made necessary by the incidence of taxation. Unless the public are prepared to save a very large proportion of the increased wages and salaries which are being distributed, there are three alternatives before us:

(1) The Government must further drastically increase taxation, or

(2) A system of forced savings must be adopted, or

(3) The well known inflationary spiral will steadily gain headway.

TAXATION

It is, I am afraid, the usual custom and sometimes the stern duty of bankers to condemn increases in taxation. In peace-time, when Governments take the easy course of increasing taxes to provide for extravagant expenditures, such a policy certainly calls for condemnation. But the present situation is quite different. I am not sure that Federal, Provincial and Municipal authorities have eliminated from their budgets all unnecessary expenditures and postponed all capital outlays that can possibly be deferred, as they should do in war-time. I am inclined to think they have not, but even if this were done, there would still remain an enormous gap after payment of essential war costs. We shall make a great mistake if we do not make the maximum effort to close this gap by taxation, and I am of opinion that a considerably larger proportion of our costs should be met by taxation than has been indicated by any plans so far disclosed. It seems quite clear that at the present tempo of business, our national income is increasing at a much greater rate than the aggregate of all taxes. Provincial and Municipal authorities have had their most pressing problem namely, that of unemployment, solved by the increased industrial activity. If this is not wholly true in some areas, it will be within a comparatively short time. Hereafter any district that reports employables receiving relief will be open to suspicion of malfeasance in administration. On the other hand, due to the present business activity, rapidly approaching a war-time boom, Provincial and Municipal Governments find their revenues increasingly buoyant. I trust this situation will result in definite tax reductions by them in order to cushion the effects of greatly increased Federal taxation.

The Dominion Government has enacted legislation drastically increasing corporation and income taxes. In the latter case no criticism seems justified. In my opinion corporation taxes are not designed at present to produce either the maximum returns or to spread the incidence of taxation fairly over industry as a whole. I hasten to add, however, that no perfect scheme of taxing profits or income has ever been devised.

CORPORATION TAXES

As a class, those corporations which operate within the national economy (in this group I include banks and other financial institutions, public utilities, manufacturing industries supplying domestic needs, etc.) have all along been earning reasonable profits. Gross earnings have now been stimulated by war activities and already many corporations are showing a tendency to increase wages abnormally and to pay bonuses, a course which seems to me to be unjustifiable. It is true, of course, that increased living costs—so far, fortunately, not great—might appear to warrant this action, but it is essential that war sacrifices should be spread to all classes of the community except the relatively small section which has in recent years been living at a sub-normal standard. There are, however, a considerable number of industries (notably pulp and paper) which have had no appreciable profits for years. Many of these enterprises have recently enjoyed marked prosperity, and to such the full force of the Excess Profits Tax applies. It is surely unjust that those industries which, in spite of skilful management, have for years yielded no returns on invested capital, and in many instances failed to earn even bond interest, should now be penalized as compared with other industries which have steadily been earning and paying reasonable dividends but which will, nevertheless, not be liable for corporation taxes in excess of the minimum.

I am aware that legislation provides that in cases where the present schedules operate unjustly the companies may pay their taxes and apply for a review of the situation, and that an able commission has been appointed to act in this regard. Excess Profits Taxes can, in my judgment, be fairly applied only after allowing for reasonable earnings on invested capital. Such allowance is made in Great Britain, where the Excess Profits Tax is 100 per cent. as compared with 75 per cent. in Canada. No doubt the Board of Review will apply this principle, but I am of the opinion that the business community is entitled to have the situation more clearly defined by legislation. I advocate nothing that would tend to reduce total Federal corporation taxes, but I am afraid that the Excess Profits Tax is going to bear unfairly on companies that during the period of the depression have been far from prosperous, as compared with those that have all along given a reasonable return to shareholders. As the Presidency of this bank is my prime business interest, and as the bank certainly does not come within the former category, I shall no doubt escape the charge of special pleading.

HITLER'S "WORLD ORDER"

A Corrupt and Corrupting Tyranny.

In his concluding remarks, Mr. Wilson said:

"Last year at this time in discussing the war I said 'the very existence of the Empire is at stake. Should it perish moral values will be lost far more important than any material consideration that can possibly be involved.' There has been a terrible confirmation of this view during the past year. Daily we hear of German frightfulness in bombing the civilian population of Great Britain and sinking ships at sea without regard for the international rules of warfare. I fear that at times we are inclined to accept, if not excuse, this action as an inevitable part of total warfare, and to forget the other evidences of barbarism unexampled since the days of Genghis Khan—the bloody tyranny within Germany itself, the steady extermination of the defenceless Poles, the senseless slaughter of 30,000 civilians in Rotterdam, the invasions of Norway, Denmark, Holland and Belgium following solemn undertakings to respect their neutrality, and the wanton destruction of historic buildings and churches sacred not only to the whole English-speaking world but associated with the finest traditions of all humanity. These are things which we must not forget if we are to retain a proper appreciation of what we are fighting against. The new world order proposed by Hitler is one in which truth and honour have no meaning, law has no force, human dignity no place; a corrupt and corrupting tyranny, the qualifications for leadership of which embrace the basest traits of man. We are fighting against a return to the Dark Ages more cruel and oppressive because of the greater refinements possible in a scientific age. We must keep these things in mind, if any of us should ever pause to count the cost before throwing all we have into the defence of our way of life. In the immortal words of Kipling:

"Who stands if Freedom falls?
Who dies if England lives?"

Before leaving the question of war taxes, I should like to say that I think the personal income tax has been raised to the full extent that is economically desirable, and that the first reduction in Provincial and Municipal taxes should be by way of eliminating entirely income taxes wherever collected by Provincial or Municipal authorities. I am also of opinion that the tax base can well be broadened by further consumption taxes on many articles in ordinary use, but not of absolutely primary importance.

SAVINGS AND GOVERNMENT LOANS

No matter what drastic schemes of taxation are proposed, it is clear that the Government can only finance its requirements with the aid of substantial borrowing, but such borrowings must be supplied from savings if inflation is to be avoided. This is quite feasible if we are sufficiently in earnest about it, but the danger is that the necessity will not be fully understood, and that individuals, rating their possible contribution as of minor importance, will be inclined to leave the responsibility to others. For this reason, I have noted with great interest the efforts now being made to expand sales of War Savings Certificates. In my opinion, this is by far the most important feature of Government finance. This is not because of the sums involved. The great bulk of our war financing must as usual be by way of bond issues. These will tap the savings of the individuals in the larger income groups, as they are accumulated in banks, insurance companies and other financial institutions, and of industrial corporations through depreciation reserves and surplus earnings. But I feel that it has not been sufficiently emphasized nor understood that savings by individuals in the lower income brackets are essential for another reason of the greatest national importance. Once definite shortages of labour, materials or capital equipment appear, personal savings become imperative. At that stage, only by curtailment in the production of consumers' goods can the production of war materials be increased. But surprising as it may appear, those in the lower income brackets are responsible for a great deal more than half the total purchases of consumers' goods. As far as I am aware, there are in Canada no reliable statistics available on this point, but Mr. J. M. Keynes in his recent pamphlet, "How to Pay for the War," quotes statistics from various sources indicating that those receiving incomes below £250 per annum consume 64 per cent. of the total consumers' goods sold in Great Britain. If in Canada we should substitute an annual income of $2,000 as the rough equivalent of an income of £250 in Great Britain, it would probably not be far wrong to say that two-thirds of our demand for consumers' goods will come from those within this limit. It will at once be apparent that there is no use saying that the working man, now that he has full employment at good wages, should be given a "break." Full use of increased purchasing power would mean that instead of the demand for ordinary goods being reduced, it would be greatly increased, and to that extent would stultify our war effort. But war demands are inexorable, and if those who use the bulk of non-military production will not reduce their demands, the only way the situation can be adjusted is by a rise in the price level proceeding faster than increases in wages.

Mr. Keynes has pointed out that, with effective full employment, whatever the public as a whole save from their income during this period will be net savings; in other words, if buyers persist in bidding for goods which are not available, they will not succeed in increasing the supply but only in running up the prices. They will obtain the same amount of goods and services but at a higher cost. Income saved and safely invested is deferred purchasing power, but the amazing thing is that under the circumstances mentioned, which correspond very closely to our present situation, this deferred purchasing power can be acquired without sacrifice of present satisfactions. This seems to me to be a compelling argument for a compulsory saving plan if the people as a whole do not respond to the present appeal of the War Savings Committee; otherwise those who are too weak or too selfish to face the issue will have wasted a part of the benefits which would have accrued to the thrifty as well as to themselves.

The surplus income of the higher income groups automatically finds its way into the financial stream, and becomes available to the Government in the form of greatly increased taxes or in subscriptions to War Loans, either directly or through our financial instiutions, no new investments being available except those of a strictly essential character.

War Savings Certificates give a higher proportionate yield than War Loan Bonds, and have better safeguards as to availability of capital in the event that it becomes necessary to realize. The small investor is thus offered a prime investment, coupled with a real opportunity to serve the national interest and at the same time to protect himself against future contingencies. If these circumstances were fully and properly explained, the response should be all that could be desired. Employers who do not exert their influence to have all their employees adopt a definite plan of saving will not only have failed in their duty to the nation but in their duty to their employees as well.

TRIBUTE TO STAFF

Enlisted Men Get Leave of Absence; Jobs Assured.

In extending the thanks of the Directors and Executive to the Staff, Mr. Dobson said:

"A word about the staff: Four hundred and forty-six members of our staff have enlisted for military service, and one hundred and fifty-eight more have been accepted and are subject to call. Leave of absence has been granted to all those who have enlisted, and positions will be available to them when they return. Married men are being paid the difference between three-quarters of salary and army pay, and single men the difference between two-thirds of salary and army pay. To fill the vacancies created, and to take care of increased business activity, we have had to engage six hundred and sixty-seven additional staff, many as temporary clerks for the duration of the war.

"The employees of our two London offices are performing their daily work amidst the death and destruction of modern warfare, and are carrying on in the characteristic British way. We cannot speak too highly of their courage and fortitude, which fill us with admiration. Up to date there has been only one fatal casualty.

"An institution is just the sum total of the persons who carry on its affairs. The high standard of our personnel, numbering more than 7,000 men and women, is a most important factor in contributing to the bank's progress. Through the intelligent and interested work of this staff, from the oldest to the youngest recruit, there has been built up a spirit of goodwill between the bank and its customers which is one of our greatest assets. It is an asset that does not appear on the financial statement, but, nevertheless, is reflected in it.

"To our staff I convey the thanks of the Directors and Executive."

An illusion is held by a large proportion of the public, and I am afraid also by many of those connected with the War Savings Certificate Campaign, that all that matters is to sell the maximum amount of such securities, even though payment should come from existing savings. Naturally the investment of existing funds should not be discouraged, but it is fresh saving that is essential; or, to repeat what I have said already, the important thing is to reduce the demand for ordinary goods, thereby increasing our ability to produce war goods.

WAGES

Fortunately, Canada has been largely free from labour disputes since the beginning of the war, and it is essential that neither strikes nor lockouts should be allowed to interfere with production. Until recently no very definite wage policies had been announced. I have been favourably impressed by the recent Order-in-Council providing for the adoption of a standard wage scale supplemented by bonuses as required to meet any rise in the cost of living, such bonuses to apply, however, evenly on a per capita basis and not as a percentage of existing wage rates. This plan was first adopted some time ago in a western coal district, the workers agreeing not to demand reimbursement of such part of the increased cost of living as is represented by new consumption taxes. This is a fine example of the spirit in which labour should approach its war responsibility. Workers can be expected to maintain this attitude if the necessity is made clear to them, and also if they are convinced that equal sacrifices are being made by salaried employees, executives and capital. War-time taxes already imposed would seem sufficient to ensure this, but the Government must be continually vigilant to see that all forms of profiteering are sternly repressed, and that unwarranted salaries and bonuses are not paid. The recent announcement that any such abnormal payments will be taxed is an indication that steps are being taken to meet this situation.

SIROIS REPORT

A conference of provincial premiers is being convened this month in Ottawa to consider implementing the Sirois Report. It is not a subject on which unanimity of opinion can be expected, but the main principles laid down can, I think, be said to commend themselves to most dispassionate and objective observers. I have previously expressed the opinion that income taxes should fall exclusively within the jurisdiction of the Dominion Government. I think also any unprejudiced observer would contend that the very large receipts from succession duties arising from large estates, mainly centred in Ontario and Quebec, should be used for the benefit of the country as a whole. The Maritime Provinces and the West have contributed their share of business brains to Canadian industry and finance, but for obvious reasons, are not likely to retain many of their financially ambitious citizens, although continuing to contribute to their wealth.

If it is logical that these sources of revenue should be surrendered by the Provinces, it would seem that a quid pro quo has been put forward in the Sirois Report. It is first suggested that a complete readjustment of Government finances should be effected by the assumption of Provincial debts by the Federal Government, with a suggestion for a cooperative plan between Dominion and Provincial authorities to keep our financial house in order in future. The Federal Government would also be expected to assume full responsibility for unemployment relief. Unemployment on a large scale was unknown in Canada prior to the recent depression. But no one can be found bold enough to predict that we shall not have a recurrence of this phenomenon when, in the present war economy, "the wheel is come full circle." Our inexperience was accepted as a reason for, if not completely excusing, our mishandling of the problem last time. It will not be again. That the problem is properly a national one can hardly be denied.

There are, of course, two sides to every question. Many doubts will arise as to the ability of the Dominion Government—I am speaking in the abstract and not of our present administration—to rise to such enhanced responsibilities. Fears may reasonably be held of the dangers of the development of a huge bureaucracy through too great concentration of power in a single authority. This argument is bound to be emphasized by those opposed to a change and will carry considerable weight since only time can demonstrate whether it is valid, but it is to be hoped that the forthcoming discussions can be kept above the level of personal ambitions and sectional interests. If, in the exaltation of common sacrifice a better plan of Government cannot be found, I greatly fear that it will not be found when peace returns.

GENERAL MANAGER'S ADDRESS

Mr. S. G. Dobson, General Manager, referred to the financial statement as follows:

The figures revealed in the Balance Sheet today are those at the close of 71 years of operation, and after 15 months of war. During the first half of the past year the results of the war had little effect upon our operations other than the restrictions imposed by the Foreign Exchange Control Board, but during the second half of the year and particularly in the last few months, the greatly increased tempo of this country's war effort has created business activity such as has never been experienced, and as a result, banking turnover has naturally been much greater.

Notwithstanding the increased business activity, the assets of Canadian banks have declined as compared with a year ago. Wars have always in the past been accompanied by expansion of bank assets and generally by inflationary trends. The experience of the past year may therefore, I think, be regarded as a healthy development, reflecting credit on those responsible for our war finance and monetary policies.

The following are the principal changes in the Balance Sheet presented today: Total assets are $955,570,326, a reduction of $59,138,017 as compared with $1,014,708,343 a year ago, when they reached an all time high. Cash on Hand and Balances Due by Banks total $177,419,710, Dominion and Provincial Bonds $311,833,108. Adding to these two items, Other Securities, Cheques on Banks, and Call Loans, we have total Liquid Assets of $584,954,407, or 66.57% of Total Liabilities to the Public. This liquid ratio is slightly less than a year ago because of the increased demand for commercial loans, a result we naturally welcome.

Since 1930 there has been a gradual increase, year by year, in our holdings of Dominion Government Securities, and this is the first occasion in that period that the trend has been reversed, the decrease during the past year being $2,566,047. We have continued our policy of maintaining our holding of such securities in short date issues and of our total portfolio $158,856,858, or 67.30%, matures within two years.

COMMERCIAL LOANS UP

Commercial Loans in Canada continue to expand, and during the year increased a further $16,823,905 to $229,451,217. This total compares with $175,872,378 at the low point in 1936. Loans outside of Canada decreased $9,998,509. Loans to Provinces and Municipalities are less by $2,592,281. Call Loans are down $7,512,965, at $17,638,182.

On the liability side, Deposits by the public in Canada increased during the year $20,154,726, and now stand at $609,203,083. On the other hand, Foreign Deposits dropped $47,945,501, caused largely by the taking over of the foreign balances of our Canadian customers by the Foreign Exchange Control Board. Total Deposits are $840,134,689, a decrease of $41,122,048.

In reviewing the Balance Sheet a year ago I referred to the fact that balances due Dominion and British Governments in Canada amounting to $53,000,000, were included in our figures. This total has this year been reduced to $20,462,766, the amount due the Dominion Government.

Profits, I regret to say, were $197,948 less than a year ago. This was not unexpected considering an increase of $619,083 in taxes. After providing for total taxes of $1,823,950 to the Dominion and Provincial Governments, Profits were $3,526,894. Added to $3,096,252 brought forward, we have available for distribution $6,623,146. Dividends paid amounted to $2,800,000. $325,000 was contributed to the Pension Fund Society, and $300,000 was written off Bank Premises, leaving $3,198,146 to be carried to Profit and Loss Account, an increase of $101,894.

We have continued the policy of restricting expenditures on Bank Premises to extensions and renovations, no new buildings having been constructed during the year. The regular sinking fund appropriations of $500,000 have been made by our property holding companies and their indebtedness reduced accordingly. This sum, added to the $300,000 reserved for Bank Premises Account makes a total appropriation of $800,000 against Real Estate Holdings last year.

Conditions in the French West Indies having become adversely affected by the war, it became evident that the future of our branches on those Islands was not promising. It was therefore decided to withdraw, and our offices at Fort de France, Basse Terre and Pointe a Pitre were closed early in the year. The business was of such a nature that quick liquidation was possible. Depositors were paid off, loans collected in full, and such premises as we owned, sold for cash.

For obvious reasons we have not had any contact with our subsidiary in Paris since June, and on account of the uncertainties of the outlook we have considered it advisable to write off our total investment in that company and have eliminated the figures of assets and liabilities from our Balance Sheet. The Paris business shrank to unimportant figures during the war, especially following the closing of our French West Indian branches. Loans, according to our last information, were almost negligible and deposits reduced to a fraction of former totals. Fortunately all the British members of the Paris staff escaped to England.

Our Barcelona office is nominally open, but it has been on a liquidation basis since the outbreak of the revolution in Spain. Operating expenses have been reduced to a minimum, and it is our intention to withdraw from that point in the near future.

SOUTH AMERICAN TRADE

I am pleased to be able to report that our branches in South America have had a satisfactory year. The same is true for the most part of our branches in the West Indies. General conditions in Cuba have been unfavourably affected by the prevailing low price of sugar, some mills making little more than operating expenses. In most of the other important islands business has been maintained at a high level, and in some instances a very marked improvement has been shown. The South American Republics are feeling the loss of the European market, but a great effort is being made to increase their trade with each other and with North America. It is interesting to note that our Government is endeavouring to expand our commerce with these countries and recently a mission headed by the Honourable Mr. MacKinnon, Minister of Trade and Commerce, was appointed to visit South America and the West Indies for the purpose of studying trade possibilities. The mission has been delayed temporarily due to the illness of Mr. MacKinnon, but we hope will be resumed early in the year. It has also been reported that there will be an exchange of Diplomatic representatives between Canada and certain South American countries.

These steps towards a closer understanding should go a long way towards building up a permanent exchange of business. Our branches in the Southern countries are located at strategic points and should be most helpful in developing such trade.

As I have already said, business in Canada has reached the highest point of all time, because of the tremendous impetus it has received as a result of Government contracts connected with our war effort, but it has not yet reached its peak. Additional projects are being undertaken or in contemplation, which will have a further stimulating effect upon our economy, so that we may look forward to increased banking activity during 1941. Your bank is fully equipped to take care of all additional demands which may be made upon it to finance or otherwise handle this increased activity and thus contribute its share to Canada's war effort.

Our first object is to win this war. The might of the Empire in men, material and weapons is gathering increased momentum; our morale is high. Our duty on Canada's home front may seem very simple, even tame, compared with the experiences of our kinsfolk in Britain, but it is vitally important. Our posts call for work, confidence and self-denial. With these qualities, and a settled determination to back our country's war effort by every means in our power as the opportunity opens up to us, there can be no doubt of our ability to win.

War Savings

Industry Aids Employees

Leadership qualities of industrial managers are bringing good results when applied to the war savings problem. Below are listed some of the cases in which employers across Canada have helped to mobilize thrift for Canada's war effort.

Crain Printers, Ottawa

How employees can share the bonuses now being paid to meet higher living costs is demonstrated in the Crain printing firm at Ottawa. When the bonus was announced, the firm and its employees agreed that half the amount should be applied to the purchase of war savings certificates, the remainder in cash. O. M. Campbell, secretary of Crain Printers, states that a large number of employees notified the firm to place the entire amount in certificates, this being in addition to the deductions which were already being made.

North Van Ship Repairs Ltd., Vancouver

Another example of employer assistance in war savings is that of North Van Ship Repairs Ltd. of Vancouver. A. C. Burdick, president, announces that the company will add to each employee's subscription an amount equal to that by which the original subscription exceeds $4 per month. Thus, if an employee subscribes $10 per month, the company adds $6, bringing the total to $16. For his $10 investment, the employee receives a certificate which on maturity will return him $20. About 600 employees are reported to be affected by this plan.

Aluminum Co. of Canada

At the end of 1940, 82.9% of the employees of Aluminum Co. of Canada were regular purchasers of war savings certificates. On the basis of present monthly deductions, over $175,000 annually is being contributed to Canada's war chest. In achieving this total, personal canvassers were sent through the plants to sell the war savings idea. Canvassers occasionally had to assume the role of investment counsellors for the benefit of employees who had no previous investment experience. The company is now laying the ground for a resumption and intensification of its 1940 drive.

Cameron Lumber Co.

At one stroke the Cameron Lumber Co. of Victoria, B.C., recently raised wages, brought its organization to the 100% mark in war savings and encouraged saving on the part of its employees. Wages were raised $4 per month for all employees, the increase to be paid in the form of war savings certificates. The company decided on the plan in order to enable all employees to participate and will continue the plan as long as operating conditions in the lumber industry permit, according to A. W. Millar, secretary-treasurer of the company.

National Advertisers

During 1940 over 30 concerns which advertise on a nation-wide scale donated part of their space to the war savings campaign. List of those featuring war savings in their advertisements follows:

Bank of Nova Scotia
Canadian General Electric
Canadian National Carbon Co.
Circle-Bar Knitting Co.
Colgate-Palmolive-Peet Co.
Dominion Life Assurance Co.
T. Eaton Co. Ltd.
Flusho
French's Mustard
General Motors
Goodyear Products
Hellman's Mayonnaise
Hydro-Electric Power Commission of Ontario
Imperial Bank of Canada
Kellogg Co. of Canada
Kelly, Douglas & Co.
Kodak Films
Loblaw's Groceterias
Metropolitan Stores
Nesbitt, Thomson & Co.
Nugget Shoe Polish
Pepsi-Cola Beverages
Prestone Anti-Freeze
The Royal Bank of Canada
Robt. Simpson Co.
Tamblyn's Ltd.
Tip Top Tailors Ltd.
Mutual Life of Canada
Westinghouse
Hudson's Bay Co.
The Bell Telephone Co. of Canada

* * *

Sudbury Pushes Sale

In Sudbury a special public meeting of all employers was called to consider the sale of war savings certificates to employees. Plant foremen were asked to attend as well as heads of firms and owners of businesses. In all some 600 men were present. At the first meeting it was reported that 8 Sudbury firms had enlisted every employee as a regular subscriber to the purchase of war savings certificates. Four are organized to within 80% of all employed; 5 are 60% organized and 11 are between 30% and 50% organized. The amounts deducted from wages are scaled according to the earning power of the individual concerned.

* * *

Stamp Out Hitler

A reader of the Montreal Gazette advanced an interesting way of helping the Government to finance the war. He suggested that from time to time people attach a war savings stamp to a letter they are sending out. This would be in addition to the regular postage stamp. Both postage stamp and war savings stamp would be cancelled in the ordinary way. General adoption of the idea would result in a worthwhile contribution to the national war effort and the Government would be duly appreciative of the cumulated generosity. The promoter of this idea backed up his suggestion by putting a war savings stamp on the letter addressed to the editor of the Gazette.

Bldg. Products Results Better

From Our Own Correspondent

MONTREAL. — Operating results of Building Products Ltd. in the past year will be more satisfactory than in 1939, when an all-time high record was established for sales and earnings. Net profit in 1939 totalled $487,597, equal to earnings on the common stock of $1.01 a share. Previous peak for earnings was in 1929, when net profit totalled $418,482.

Prospects for the remainder of the year are considered excellent.

Canadian Car Assembles Anson

Set Up at Amherst, N.S., Plant Bombers That Saw Active Service

From Our Own Correspondent

MONTREAL.—The first British Avro-Anson twin-engine bomber assembled at the Amherst, N.S., plant of Canadian Car & Foundry Co. has taken to the air. Initial trial flights were said to be satisfactory.

There are British planes which are being reassembled in Canada. They have already been on active service in the British Isles.

They are powered with twin Armstrong Sidley motors of 350 h.p. each, have a span of 56 ft. and a length of 42 ft. They have a speed of 188 miles an hour and a cruising range of 790 miles with a ceiling of 19,000 ft.

The machines are equipped with a gun turret and forward guns and manned by a crew of three.

The Avro-Anson is used largely for training purposes.

Ontario Silknit Earns Preferred Dividends

Sales volume and earnings of Ontario Silknit Ltd. for 1940 were both substantially above 1939 levels and preferred dividends have been covered, according to H. Greisman, secretary-treasurer of the company. This will be the second time since 1939 that preferred requirements have been earned by the company. Earnings on this class of stock were $7.32 per share in 1939.

Restriction of raw silk imports will have little effect on Ontario Silknit since the company is already working entirely with rayon products.

Payment of $1 interest on the company's income funding rights on Jan. 15, 1941, to holders of record Dec. 31, 1940, will be the second such disbursement. The rights were issued Jan. 1, 1936 and the first $1 payment was on June 12, of the following year.

G. Tamblyn Business Improves Last Year

W. C. Scott, president of G. Tamblyn, Ltd., in a letter accompanying recent dividend cheques on preferred and common shares, stated that business of the company in the last half of 1940 has shown a decided increase and indications point to further gains. Along with other companies, Tamblyn's has had to surmount the obstacles of a shortage of qualified druggists and of delivery boys, higher salaries and taxes.

Dosco Employs 4100 Workers

All Facilities at Sydney Being Pushed to Utmost to Meet War Demands

From Our Own Correspondent

MONTREAL.—More than 4,100 workers are now employed at the Sydney steel plant of Dominion Steel & Coal Corp. The number is rising slowly and steadily as the full productive facilities of the plant are used to meet the demands created by the war. At present the plant has a capacity of 600,000 tons of steel a year, compared with 400,000 in 1939.

Last year the Sydney plant used 700,000 tons of iron ore brought from the Wabana Mines on Bell Island, off the coast of Newfoundland.

In stepping up the steel production from 400,000 to 600,000 tons annually it was necessary to make extensive additions to other equipment.

During the year past an old battery of ovens was renovated to take care of the increased demand for coke.

Produce War Items

Out of these coke ovens flows a flood of by-products. Many of these are vital to the conduct of the war. For this reason during the last 12 months a plant costing more than half a million dollars was erected. Benzol and products like Zylol, as well as ammonia and a score or more of other products are recovered from the coke ovens.

All this is a part of the main project, the product of iron and steel. Today three blast furnaces, either of the most modern construction or rebuilt to meet war's demands, are turning out pig iron at the rate of nearly 600 tons a day each.

Supply Several Markets

From the pig iron the Dosco plant can now produce 600,000 tons of steel which is poured into huge blocks or "blooms" of metal ready to fashion into shells or guns or rails or nails or any one of a thousand products. These are shipped all over the world. South Africa gets some, her supplies once came from Europe, now too far away and too busy consuming its own metals to bother about export; New Zealand also is a buyer of Dominion Steel as are Newfoundland, Peru and West Indies. In addition, of course, the domestic market remains the principal outlet for the company's iron and steel products.

New Executive Changes

New appointments effective Jan. 1 are announced by Dominion Coal Co. and the parent company, Dominion Steel & Coal Corp.

T. L. McCall becomes general manager of Dominion Coal and Cumberland Railway & Coal Co. At the same time he retains his position as chief mining engineer of Dosco.

C. M. Anson is named to the steel post, giving him "special jurisdiction" over the Sydney steel plant, Newfoundland operations, and the following subsidiaries: James Pender & Co., Saint John, N.B.; Peck Rolling Mills, Security Fence Co. and St. Lawrence Wire Co., all of Montreal. Mr. Anson is assistant to the general manager.

Officials of the company state that the new appointments were made to free General Manager H. J. Kelley of various responsibilities to devote more attention to war work.

Banking

Loans to Municipalities Below Pre-war Levels

Monthly Borrowings From Chartered Banks Average Lower — Larger Revenues and Reduced Expenditures the Reason

Since the outbreak of war in September, 1939, Canadian municipalities have reduced their borrowings from the chartered banks substantially.

According to the monthly bank statement to the Minister of Finance showing the condition as at Nov. 30, 1940, total loans to municipalities were $92.6 millions against $112.1 millions at the end of Nov., 1939, down $19.5 millions. Compared with Aug. 31, 1939, before the war started, the decline is $21.2 millions.

The decreased borrowing during 1940 has been noticeable. In every one of the first 11 months of 1940, except April, loans to the municipalities have been lower than the year before. The total for April at $119.9 millions was $832,000 higher than in April, 1939. The average month-end figure for the 11 months of 1940 was $107.7 millions against $114.7 millions the preceding year.

This decrease in borrowing would appear to be due to several factors, including.

Increased revenues due to better tax collections.

Reduced expenditures owing to the war.

Lower relief charges resulting from the better employment situation.

Tax Collections Better

From available information it is evident that tax collections in most municipalities have been better. This is the natural consequence of the larger circulation of money. People have the money to pay and consequently municipal treasuries have benefitted.

The greater business activity has provided jobs for many people formerly on relief. Others who were on only part time are now working a full week. All this has meant reduction in relief rolls with a shrinkage in relief charges.

Disposition to Economize

In addition municipalities generally have sought to do their part for the war by cutting expenditures to those actually necessary.

The general feeling has been that money and equipment must be conserved for the prosecution of the war. Accordingly there has been a noticeable disposition to economize in various directions.

Comparative figures for the last two years follow:

	1940	1939	Change
	—Thousands of dollars—		
January	103,085	105,808	—2,722
February	107,291	111,357	—4,065
March	113,316	119,264	—5,948
April	119,909	119,077	+832
May	109,290	119,972	—10,682
June	114,939	116,712	—1,772
July	113,276	119,358	—6,681
August	107,962	113,830	—5,868
September	104,209	112,581	—8,372
October	99,366	112,567	—13,201
November	92,622	112,132	—19,510
December	......	111,916	....

No Objection if U. S. Hotels Absorb Exchange Discount

Advertisements of United States hotels have been appearing in Canadian newspapers, offering to absorb 10% of the discount on Canadian funds. This concession is made applicable to charges for room accommodation only. Other services must be paid for at the prevailing rate of exchange.

Two ways in which this arrangement works is that the Canadian traveller, it is understood, after getting the necessary authority from the Foreign Exchange Control Board to make the trip and take money out of the country can buy the authorized amount of U.S. funds. The hotel then, instead of charging him say $7 in American funds for his room will charge him $6.30. Or if he pays in Canadian currency by letter of credit, travellers' cheques or Canadian dollars (if he can take Canadian currency out of the country), the hotel will accept the $7 Canadian money practically at par. As it is next to impossible to take Canadian funds out of the country he would in most cases have to pay his bill either in U.S. funds or in travellers cheques.

Make Up Loss Elsewhere

The arrangement designed to make conditions more convenient for the Canadian resident travelling in the United States is no doubt an attraction to Canadian travellers. The hotels concerned probably figure on making up the amount they lose on room accommodation out of what the traveller spends on other services.

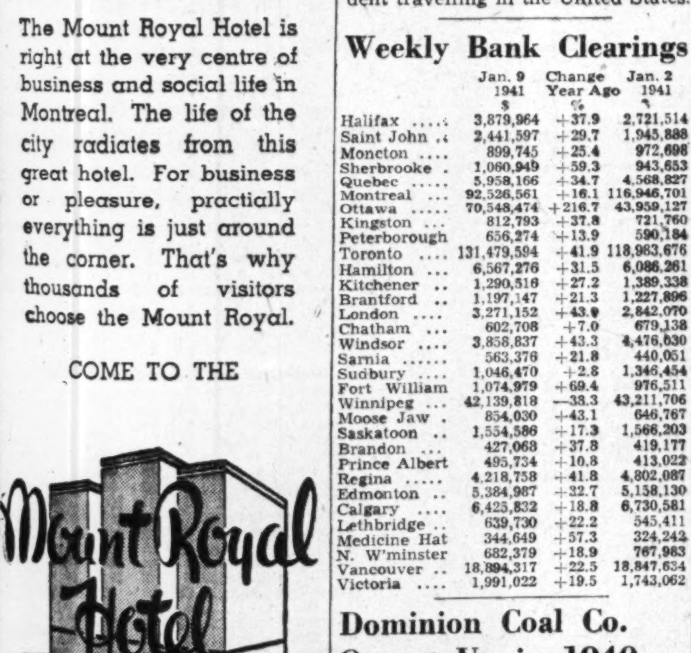
The hotel in turn has several ways of disposing of these Canadian funds. Where the money is legally in the United States it can be turned into U.S. funds at the official rate. But if the guest was not authorized to take these funds out of the country, the hotel can then either sell them on the black market at a discount of say around 15%, which means a loss, or deposit them in one of the banks in the United States, which can send them back to this country through a non-resident account. This, of course, must be done in accordance with the regulations.

These regulations are very strict prohibiting the export of Canadian dollars except in special circumstances.

Dry Up Canadian Funds in U.S.

Reason is it wants to dry up the supply of Canadian funds in the United States. Then when Canadian dollars are not available on American markets, Americans visiting Canada will bring in United States dollars which are so necessary for war purposes.

It is understood the amount of money going through for travel of any kind in the United States is relatively small. It is also understood the Foreign Exchange Control Board has no objection to this procedure of the hotels as long as all regulations are complied with by the Canadian resident travelling in the United States.



The Mount Royal Hotel is right at the very centre of business and social life in Montreal. The life of the city radiates from this great hotel. For business or pleasure, practically everything is just around the corner. That's why thousands of visitors choose the Mount Royal.

COME TO THE

Mount Royal Hotel

MONTREAL

DIRECTION VERNON G. CARDY

Weekly Bank Clearings

	Jan. 9 1941 $	Change Year Ago %	Jan. 2 1941 $
Halifax	3,879,964	+37.9	2,721,514
Saint John	2,441,597	+29.7	1,945,888
Moncton	899,745	+25.4	972,698
Sherbrooke	1,060,949	+59.3	943,653
Quebec	5,958,166	+34.7	4,568,827
Montreal	92,526,561	+16.1	116,946,701
Ottawa	70,548,474	+216.7	43,959,127
Kingston	812,793	+37.8	721,760
Peterborough	656,274	+13.9	590,184
Toronto	131,479,594	+41.9	118,983,676
Hamilton	6,567,276	+31.5	6,086,261
Kitchener	1,290,516	+27.2	1,389,338
Brantford	1,197,147	+21.3	1,227,896
London	3,271,152	+43.9	2,842,070
Chatham	602,708	+7.0	679,138
Windsor	3,858,837	+43.3	4,476,630
Sarnia	563,376	+21.8	440,051
Sudbury	1,046,470	+2.8	1,346,454
Fort William	1,074,979	+69.4	976,511
Winnipeg	42,139,818	—38.3	43,211,706
Moose Jaw	854,030	+43.1	646,767
Saskatoon	1,554,586	+17.3	1,566,203
Brandon	427,063	+37.8	419,177
Prince Albert	495,734	+10.8	413,022
Regina	4,218,758	+41.8	4,802,087
Edmonton	5,384,987	+32.7	5,158,130
Calgary	6,425,832	+18.8	6,730,581
Lethbridge	639,730	+22.2	545,411
Medicine Hat	344,649	+57.3	324,242
N. W'minster	682,379	+18.9	767,983
Vancouver	18,894,317	+22.5	18,847,634
Victoria	1,991,022	+19.5	1,743,062

Dominion Coal Co. Output Up in 1940

MONTREAL.—Production of Dominion Coal Co.'s 10 Cape Breton collieries during 1940 amounted to 4,385,133 tons. This represents an increase of 368,000 tons over 1939 when output totalled 4,016,345 tons.

COTTON FABRICS AND YARNS

COLONIAL Sheets and Pillow Slips

MAGOG Fastest Fabrics

TEXTILE DOMINION CO-LTD

DOMINION TEXTILE COMPANY, LIMITED

THE TEXTILE BUILDING, VICTORIA SQUARE, MONTREAL

BANK OF MONTREAL APPOINTMENTS

Following retirement of C. W. Chesterton, William McDonnell has been appointed superintendent of branches of the Bank of Montreal in British Columbia with headquarters in Vancouver. C. G. Dunning (right) succeeds Mr. McDonnell as superintendent of Alberta branches with headquarters in Calgary.

Note Circulation Shows Decline

Smaller Demand For Cash After Holiday Rush Indicated

For the first time in several weeks, a decline in note circulation is shown in the statement of the Bank of Canada for the week ended Jan. 8. This is a seasonal movement, usually occurring when the business demand for cash falls off, after the heavy Christmas trade.

Deposits with the Bank of Canada rose $30 millions, the expansion being in deposits of both the Dominion Government and the chartered banks. Other deposits were lower. This increase in deposits was probably due to cheques of the Bank of Canada payable to the Government and the commercial banks being cashed and the proceeds left in the bank. Other liabilities, which item includes cheques of the Bank of Canada outstanding, were down about $14.5 millions.

Total assets rose $10 millions, the increase being entirely in holdings of sterling and U.S. exchange, probably due to sale of gold abroad.

Balance Sheet

	Jan. 8 1941 $	Dec. 31 1940 $
Liabilities		
Capital paid-up	5,000,000	5,000,000
Notes in circ.	354,293,921	359,949,121
Rest fund	2,449,756	2,449,757
Depos.: Dominion	33,315,637	10,879,951
Bank	227,082,568	217,738,289
Other	7,927,300	9,514,892
Total deposits	268,325,505	238,133,132
All other liabs.	6,564,421	21,046,717
Total liabs.	636,633,603	626,578,727
Assets		
Reserve:		
In sterl. & U. S.	52,665,278	38,429,278
Subsidiary coin	599,265	598,312
Investments:		
Dom. Gov. short	444,777,594	448,439,973
Other Dom. Gov.	129,226,506	127,323,189
Total invest.	574,004,100	575,763,162
Premises	1,703,273	1,703,272
All other assets	7,661,687	10,084,703
	636,633,603	626,578,727

Staff Changes

The Royal Bank of Canada announces the following staff changes:

R. D. HATCH, assistant manager Santiago de Cuba, Cuba, to be manager Vedado, Havana.

E. M. T. MASON, manager Gerrard and Greenwood, Toronto, Ont., to be manager Mount Forest, Ont.

W. C. PATON accountant Bloor and Dovercourt, Toronto, to be manager Gerrard and Greenwood, Toronto.

H. J. SMALL, manager Mount Forest, Ont., to be manager Grand Valley, Ont.

J. C. S. COLCLOUGH, assistant accountant Yonge and Bloor, Toronto, to be accountant Stratford, Ont.

A. W. FOWLER to be accountant Laurier Avenue, Montreal.

L. RABY, accountant Place d'Armes, Montreal, to be accountant Sherbrooke, Que.

G. A. SPARROW, accountant Chatham, Ont., to be accountant Bloor and Dovercourt, Toronto.

The following have been granted leave of absence to engage in military service:

G. H. HARDY, Grand Valley, Ont.

W. G. HOLMES, Sherbourne and Queen, Toronto.

The Bank of Nova Scotia announces the following staff changes:

W. J. PEERS to be manager at Victoria.

G. A. CAMPBELL, manager at Victoria, retires on pension.

H. W. DAVIS to be accountant at Saskatoon, Sask.

W. D. McARTHUR to be assistant manager, Winnipeg.

C. R. TIBERT to be an inspector.

J. D. LYNESS to be an assistant inspector.

A. RIDEOUT to be an assistant inspector.

I. C. COOPER to be assistant supervisor of staff.

W. BARCLAY to be manager Port Alice, B.C.

A. BOURGON to be manager St. Isidore de Prescott, Ont.

B. L. DEWEY to be manager Codette, Sask.

A. G. EDMISON to be manager Yonge and Broadway, Toronto.

T. H. MILLER to be manager New Richmond, Que.

W. WALSH to be manager Port Antonio, Ja.

J. H. MACDONALD to be accountant Winnipeg, Man.

Nfld. Revenue Up Expenses Down

Report For Six Months Shows Financial Improvement

Newfoundland Commission of Government reports revenue of $1.4 million in December, an increase of $104,855 over the same month last year. Expenditure for the month totalled $1.1 million, a decrease of $48,749.

In the six months period ended Dec. 31, revenue totalled $7.1 millions, an increase of $812,682. Expenditure in the half year decreased $611,359 to $7.6 millions.

Revenue and Expenditure

December	1940 $	1939 $
Revenue:		
Customs	1,084,854	821,836
Posts & telegraphs	97,397	93,255
Assessor of taxes	34,891	230,216
Natural resources	12,744	20,710
Other revenue	147,116	106,130
	1,377,002	1,272,147
Expenditure:		
General	1,085,263	1,162,106
Debit charges	32,851	4,757
	1,118,114	1,166,863
July-December	1940 $	1939 $
Revenue:		
Customs	5,719,533	4,916,726
Posts & telegraphs	409,933	381,978
Assessor of taxes	279,140	388,389
Natural resources	121,405	143,433
Other revenue	524,395	411,198
	7,054,406	6,241,724
Expenditure:		
General	6,224,131	6,871,294
Debit charges	1,369,278	1,333,474
	7,593,409	8,204,768

Montreal Plans Seaway Study

Mayor Tells Conference to Consider Effect on City's Economy

From Our Own Correspondent

MONTREAL.—Montreal's mayor, J. A. Raynault has called a conference of local interests to draw up concrete suggestions to Ottawa for protection of Montreal's interests should the St. Lawrence Waterways scheme be decided upon.

It is the mayor's idea to have a small committee of specialists named at the conference to study the technical aspects of the economic repercussions on Montreal of the seaway project and to report back to the larger group so that the findings can be transmitted to the Federal Government.

The committee will be empowered to consult other experts, including economists, in order to examine the situation thoroughly. It is likely, as well, that municipal engineers will be asked to submit their opinions on the effects of the project.

Montreal Cuts Deficit Of Catholic Schools

From Our Own Correspondent

MONTREAL. — Estimated deficit of Montreal Catholic School Commission for 1940-41 will be $649,381. This compares with actual deficits of $1.6 million in 1937-38, and $1.8 million in 1938-39, according to estimates tabled by the general secretary and treasurer.

Original estimates provided for a deficit of $1.1 million, but the deficit has been pared by $431,960 by the Godbout - appointed commission, headed by C. E. Gravel.

Saving of $207,448 was made in the amount paid by the commission to teaching personnel and disbursements in free textbooks, moving pictures, etc. Increased student fees are expected to raise revenue.

Seek Sweeping Reforms In Municipal Field

A return to market values as the basis of assessing properties for tax purposes together with sweeping changes in taxation and expenditures are recommended as cures for municipal and real estate ills in a brief recently submitted to members of the Ontario cabinet.

Prepared and presented by a joint committee representing eight associations, including the Toronto Board of Trade, the Canadian Chamber of Commerce and the Ontario Association of Real Estate Boards, the brief also recommended the following:

(1) That municipalities be freed of the cost of social services.

(2) That municipal public utilities be taxed.

(3) That municipalities be reimbursed out of the gasoline tax for abnormal road expenditures.

(4) That a larger share of school costs be borne by the province, which should exercise wider and more direct control of these costs.

(5) That the Municipal Affairs Department extend its jurisdiction to additional municipalities.

(6) That all municipal electors be required to pay taxes to the municipality.

These recommendations are aimed at ending municipal extravagance by providing adequate supervision and by widening the tax base to include those who do not pay municipal taxes but who have an indirect voice in determining expenditures. School boards, for example, are kept in office by the entire municipal electorate, but their expenditures are paid almost entirely by property owners.

Assessment reform and reduction of property taxes to the amounts properly attributable to that source will help thaw some $3 billions of partially frozen real estate assets in Ontario. Lowered assessment rates will also put teeth into municipal debt restrictions which are directly or indirectly based on assessment values, the brief holds.

J. B. Laidlaw, secretary of the joint committee submitting the brief, stated that the members of the Government gave the proposals a sympathetic hearing. No action can be taken until after the Sirois Report conference, but the proposals would be borne in mind at the conference. Mr. Hepburn did, however, assure the committee that the Government has no thought of curtailing the activities of the Ontario Department of Municipal Affairs.

Your Income Tax . . . .

From now until April 30, deadline for filing personal income tax returns, The Financial Post will answer questions from subscribers about their income and national defense taxes, as to exemptions to which they may be entitled, methods of payment, etc.

Enquiries are invited.

When N. D. Tax is $25

Item 32 of the new income tax return states that where income is not subject for National Defense Tax at the source and the amount of tax payable is $25 or over, an additional tax is imposed. This additional tax ranges upward from a minimum of $1 if the tax is $25 but not more than $100; to $3 if the tax is over $100 but not over $200, up to a maximum of $21 if the tax exceeds $700.

I am a doctor and there is no deduction at the source from my professional income. I have some investments in farm mortgages and there is no deduction in that case either. How does this additional tax affect me and why is it imposed?

—

This additional tax is really a sort of interest charge on National Defense Tax which men in your classification do not pay until the end of the year.

In the case of people deriving their income from salaries or wages, dividends or registered bonds, the National Defense Tax is deducted at the source. That is, the employer paying the salary, the company paying the dividend or the government or corporation paying the interest on registered bonds deducts the amount of the tax before making payment.

Consequently the taxpayer does not get any use from the tax money at all. If his salary is $100 a week he gets only $98 a week from January 1 right through the year. This applies also to dividends or interest right from the time they are paid.

But the professional man receiving fees all through the year or the individual drawing interest from mortgages or bearer bonds or warrants does not have to pay National Defense Tax till he makes his income tax return, possibly in April of the year following that in which the income was received. He has the use of the money all that time. The Government does not get it for perhaps 15 months later.

Accordingly this additional tax is designed to reimburse the Government for doing without the tax money during this time. The Government evidently feels also that as the man whose income is subject to tax deduction at the source gets no use of the money paid as tax, it is only fair that another man whose income is not subject to tax at the source should pay back interest for the use of the money. Instead of a rate per cent, however, a definite amount is stated ranging from $1 up to $21.

Housekeeper's Wages

Owing to sickness I was forced to have a nurse housekeeper in for a short time. Her wages came to $106. I also had to have a special nurse. Can the charges for these be deducted for income tax?

—

No deduction is allowed for expenses of this kind. Deductions are allowed for certain classes of dependent relatives you may be supporting, but not for people you may employ in your household such as nurses, housekeeper, etc.

Annuity of $600

I have a Dominion Government annuity of $600 a year taken out in March, 1940, payments beginning April, 1940. Do I pay income tax on this annuity apart from the National Defense Tax?

You do not have to pay income tax on the annuity, which was in operation before the budget brought down June 24 came into effect on June 25. You are not required to pay National Defense Tax on this annuity either.

U. S. Federal Reserve Acts To Curb Inflation Trend

Threat of inflation inherent in President Roosevelt's multi-billion dollar defense programme, has caused governors of the U.S. Federal Reserve System to ask Congress to meet the situation.

Their recommendations include:

The Federal Reserve Board must be given power to increase the deposit reserve requirements of member banks, thus reducing the amount of money they could lend the public. All banks, state and national, should be made subject to the Board's requirements.

Curb Executive Power

The President's power to devalue the dollar should be repealed, also the Treasury's power to issue $3 billions greenback money and issue money against foreign silver. While the President has shown no intention to change the price of gold, this and the other powers all have inflationary possibilities in that they would enable the volume of money to be increased.

Foreign gold imports should be insulated to prevent their flow into the credit system. At present when foreign gold is sold to the treasury the owner gets cash which he deposits, thus swelling the amount of deposits. Under the former sterilization plan this was avoided.

Government securities should be sold to anyone except the banks. When a bank buys a Government bond its depositors have as much money as before. Then when the Government pays proceeds of the bond to a contractor for goods or services, he deposits the money and total deposits are increased. But if some businessman withdraws money from the bank to buy a Government bond his withdrawal will cancel the eventual contractors' deposit.

Dalglish Elected Vice-president

Canadian Postage Meters & Machines Co. Expands Toronto Operations

K. C. DALGLISH

K. C. Dalglish, general manager of Canadian Postage Meters & Machines Co., has been elected vice-president and a director of the company, W. H. Wheeler, Jr., president, announces.

Mr. Dalglish, who was formerly connected with the Canadian Bank Note Co. at Ottawa, joined Canadian Postage Meters & Machines Co. in 1925 as a sales representative. He has successively held the positions of Toronto branch manager, general sales manager and general manager.

The company, President Wheeler states, is expanding its Toronto operations to include assembly and light manufacturing. Its Dominion business in 1940 was the highest on record. It now embraces postage meters and excise stamp tax meters for business firms, and cancelling and special equipment for the Canadian Postal Service.

Postage meters last year collected $39.8 millions or 21% of all Canadian postage revenue.

The company is an affiliate of Universal Postal Frankers Ltd. of London and of Pitney-Bowes Postage Meter Co. of Stamford, Conn.

New Brunswick Tobacco Tax Charges Dropped

From Our Own Correspondent

MONTREAL.—Withdrawal of informations against more than a score of persons charged with buying tobacco from the Atlantic Smoke Shops Ltd. has been authorized by Premier J. B. McNair. These persons were charged with not paying the province's newly imposed tax on tobacco at the Saint John store.

Informations were laid before a New Brunswick appeal court decision of Dec. 3 that the provincial tobacco tax was constitutional and within the power of legislature to enact. Decision has been taken to the Supreme Court of Canada by Atlantic Smoke Shops.

Mr. McNair stated that he was convinced that many of the persons who purchased tobacco were unaware of the fact that they were committing an offense.

APPOINTED TREASURER

R. F. Houghton has been appointed to the newly created position of treasurer of Maple Leaf Milling Co., according to an announcement by G. H. Hand, secretary. Mr. Houghton has been chief accountant of the company.

Seek U.S. Money To Refund Bonds

Loans to Toronto Suburbs Hinge on Congress and U. S. Investors

Possibility of U. S. financial interests undertaking the refunding of the debenture debt of certain Toronto suburban municipalities is indicated by recent negotiations.

With the assistance of A. J. B. Gray, chief supervisor of defaulting municipalities for the Ontario Department of Municipal Affairs, representatives of York, East York and Scarborough townships have carried consultations to the point of ascertaining the willingness of New York investors to carry out the refunding providing present legal barriers are removed.

Because these municipalities were reorganized after the outbreak of war, investment in their debentures issued under the reorganization plan by U. S. citizens is forbidden by the Neutrality Act. Insurance regulations also prevent these institutions from purchasing debentures of municipalities which have been in default within the past five years. While the New York interests concerned are understood not to be insurance institutions, they prefer to purchase securities which could be resold to these companies. U. S. insurance companies face the removal of the tax-free privilege on debentures of U. S. municipalities and would presumably view favorably an opportunity to take the higher yields available on the Canadian municipal debentures, particularly when they gain the present exchange premium on U. S. funds.

Help in solving the problem is expected from the present session of Congress when the Neutrality Act is expected to be revised. Favorable developments in Washington may affect not only the $25 millions debt of York, East York and Scarborough, but may ultimately reach the other municipalities which have been reorganized through the Department of Municipal Affairs. If the movement assumes significant proportions it will add to the reserves of U. S. dollars of the Foreign Exchange Control Board and free domestic funds for the war effort. Any debentures issued for refunding will be payable in Canadian funds only, regardless of the nationality of the purchaser.

Montreal Shipping At 10-year Low

From Our Own Correspondent

MONTREAL. — Overseas shipping from the port of Montreal in 1940 touched a 10-year low, despite heavy Canadian war exports to Great Britain, reports of the Port Warden to the Board of Trade council reveals.

The report shows that 817 vessels entered and cleared the port, against 945 in 1939. Aggregate net tonnage was 3 million, the lowest since 1931, and 705,444 tons less than in 1939.

Reason for the drop in cargo movements is the increasing volume that has been transferred to eastern Canadian ports for shipments to England.

Quebec Plans Broad Changes

Speech From Throne Outlines Legislation for New Session

From Our Own Correspondent

MONTREAL.—Reforms in education, social services, improvement of highways connecting with American cities and changes in the liquor Act, were forecast in the Speech from the Throne at the opening of the Quebec Legislature.

Revision of laws respecting colonization is planned. There was also some intimation in the Speech that the Government is to meet the needs for increasing the tourist traffic into this province from the United States.

Besides the setting up of certain industries beneficial to farmers, such as the growing of flax and the manufacture of cider, the Government plans to introduce legislation providing for better land drainage.

Increase Employment

Attention is drawn to the important place occupied by the forestry industry in the province's economy and the Speech says "it is expedient to induce the lumber industry to make use of all kinds of wood and thus create more employment for our workmen." Legislation will be submitted to that end.

A reference is made to the Dominion-Provincial meeting called in Ottawa next week. After saying the Government is desirous of working in common with the Federal authorities by taking part in the conference, the Speech from the Throne goes on to say: "While lending themselves to a co-operation which is essential to the maintenance and progress of our Canadian Confederation, they will uphold together the preservation in their entirety of the rights and privileges upon which rest the autonomy of our province."

RETIRES FROM BOARD

Retirement of Hon. Henry Cockshutt from the board of National Sewer Pipe Co. has been announced following the recent annual meeting. Mr. Cockshutt was formerly chairman of the board of this company. Other directors were re-elected.

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GRAY ROCKS Inn

Glorious winter conditions — deep snow — powdered by frequent falls — 125 miles of mapped trails to suit every type of skier. This is the famous Mt. Tremblant sector of the Laurentians —home of the Snow Eagle Ski School. Make this your winter vacation spot and *be sure of good skiing*. Ski tow, jump, trails, dog teams, skating, riding, tobogganing, too! Good cuisine, steam heat, low rates. Restricted clientele.

Write for folder.
F. H. WHEELER, Mg. Dir.
ST. JOVITE STATION, QUEBEC

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High in elevation . . . 2 ski-tows nearby . . . abundant open hills and practice slopes beside hotel . . . official ski school . . . long down-hill runs . . . night skiing by floodlights . . . other winter activities.

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Manoir PINOTEAU

At the Foot of Mont Tremblant

SKI . . . at Canada's top-notch winter sports centre—in the Laurentians . . . scene of the annual Kandahar Ski Race . . . close to overhead chair ski-lift . . . a terrain marked with famous trails, long down-hill runs, "open" and "wooded" slopes.

Fully modern resort . . . all rooms with or without private bath . . . delicious cuisine . . . reasonable rates.

Write booklet, rates,

MANOIR PINOTEAU, Lac Tremblant, Que.

The ALPINE Inn

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Two ski-tows and "Hill 60" on property . . . proximity to Mount Baldy . . . well marked trails . . . European and Canadian ski instructors . . . other interesting activities for the non-skier.

Write booklet, rates,

THE ALPINE INN, Ste. Marguerite Station, Que.

THE WEEK'S QUOTATIONS

Toronto and Montreal Exchange

The following table is confined to official prices for listed stocks, including curb market quotations. Where no transaction is recorded, bid and asked prices are given. For unlisted stocks, quotations by unlisted dealers are published. The Financial Post cannot accept any responsibility for such quotations.

WEEK ENDING JANUARY 13

A

Range 1940-41 High	Low	Div R'te $	Jan 11 Y'ld %		Sales	Last Jan. 6	Week end. Jan. 13 H	L	Cl'se
2.50	.50	.	...	Abitibi	1000	.90	.80	.70	.70
17¼	2	.	...	Do. pref. 6%	1721	7¾	7¾	6⅜	6½
33	5½	.	...	Do. pref. 7%	....	(11 bid 13 asked)			
6	3	.	...	Acme Glove	....	(2 bid — asked)			
57	45	6.50	...	Do. pref.	60	45	50	50	50
12½	9	80+20c	9.1	Agnew Surp.	10	11	11½	11½	11½
110	105	7	6.5	Do. pref.	....	107 bid 108½ asked			
3.00	.75	.	...	Alta. Pac. Gr.	30	1.50	1.50	1.50	1.50
36	20	.	...	Do. pref.	11	26	26	25¾	26
16⅜	7	.	...	Algoma Steel	105	10	10	9½	10
100	81	♦2.50	...	Do. pref.	10	92	92¾	92¾	92¾
145	80	6+2	7.2	Aluminium	265	114	113½	100	110
125	100½	6	4.8	Do. pref	....	(— bid 127 asked)			
6½	5	.	...	Amal. Electric	....	(5½ bid 9 asked)			
43	34⅜	*60c	1.7	Amer. Cyn. B.	....	(34⅜ July 16)			
49¾	43½	2.75	6	Ang. Can. Tel p	....	(46½ bid 48 asked)			
26½	14	60+60c	7½	Asbestos	2222	15½	16½	14¾	16½
19½	12½	1.35	9	Assoc. Brew.	75	15½	15½	15	15
112½	109½	7	6.4	Do. pref.	....	(109¾ bid — asked)			
•2	2	.	...	Assoc T. & T.A.	....	(— bid — asked)			
24	24	48c	...	Do. pref.	....	(— bid 25 asked)			
103	101	5.50	5.3	Ault & Wiborg	....	(100 bid — asked)			

B

Range 1940-41 High	Low	Div R'te $	Jan 11 Y'ld %		Sales	Last Jan. 6	Week end. Jan. 13 H	L	Cl'se
164	137	8	5.4	Bk. Can. Nat.	3	146	147	147	147
212	170	8	4.1	Bk. Montreal	72	193	193	191	191
315	269	12	4.2	Bk. N. Scotia	54	281	284	283	283
268	200	10	4	Bk. Toronto	35	247	246	245	246
•5	4½	.	...	Barcelona	....	(— bid — asked)			
6½	2		...	Barker's Bread	....	(1½ bid 1¾ asked)			
28	19	2.50	9.2	Do. pref.	....	(24 bid — asked)			
15¾	6½	1	...	Bathurst Pr.	955	12½	13	12½	13
5	1¾	.	...	Do. (B)	235	2½	2½	2½	2½
1.75	.05	.	...	Bawlf Grain	....	(— bid .10 asked)			
48	25	.	...	Do. pref.	20	48	48	48	48
5	2½	.	...	Beath & Sons	5	5	2½	2½	2½
8	3	.	...	Beatty Bros.	50	6	8	7	8
102	90	6	5.9	Do. pref.	....	(102 bid — asked)			
90	88	7	7.9	Do. 2nd pref.	....	(85 bid 90 asked)			
10½	9	.	...	Beauharnois	239	9½	9½	9½	9½
97	80	4	5	Belding Cort.	....	(— bid 90 asked)			
150	124½	7	5.6	Do. pref.	....	(124 bid 125 asked)			
169	130	8	5	Bell Telephone	892	159	159	157	158½
12	8	60+15c	..	Biltmore Hats	5	8¾	8¾	8¾	8¾
9½	5		...	Blue Ribbon	....	(5½ bid 7 asked)			
42	34	2.50	6.7	Do. pref.	....	(36 bid 37½ asked)			
21	19	1.30	6.1	Brant. Cord. pf.	....	(20¾ bid 22 asked)			
10⅜	3¾	.	...	Brazilian Tr.	10244	7	7½	7	7½
5½	3	50+25c	..	Brew. & Distil.	115	5½	5½	4	5½
6½	4	30c	7.5	Bright, T. G.	....	(6½ bid — asked)			
90	89	6	6.7	Do. pref.	....	(90 bid — asked)			
23¾	14¾	1	5.6	Brit. Amer. Oil	1870	17½	18	17¾	18
19½	9	.	...	B. C. Packers	1	12½	10	10	10
30	23	2	7.7	B. C. Power A.	115	26	26	25½	26
3½	1	.	...	Do. (B)	210	1½	1½	1½	1½
7	4½	.	...	Bruck S. Mills	40	5½	5	4½	5
17½	12	70+10c	5.3	Building Prod.	435	14½	15½	14½	14½
14	6½	60c	5.6	Burlington St'l	....	(9¾ bid 10¾ asked)			

C

Range 1940-41 High	Low	Div R'te $	Jan 11 Y'ld %		Sales	Last Jan. 6	Week end. Jan. 13 H	L	Cl'se
70	70	.	...	Calgary Power	....	(— bid 70 asked)			
102	90	6	5.9	Do. pref.	5	101½	102	102	102
5½	1¾		...	Canada Bread	....	(2 bid 2¾ asked)			
105	90	5	5	Do. pref.	10	100	100	97½	100
58	35	2.50+37½c▲	6	Do. pf. B.	20	38	40	38½	40
6	3¾	40c	...	Canada Bud	....	(4½ bid 4¾ asked)			
8½	3	.	...	Canada Cement	945	6¾	6¾	5½	6½
101	75	5	5	Do. pref.	100	100	100	94	100
4½	4½	.	...	Can. Cr. Stone	....	(4½ bid — asked)			
106	102	5	4.8	Canada Cycle, p	10	102¾	102¾	102¾	102¾
35	24	1.50	5.6	C. & D. Sugar	535	27	26¾	26½	26½
23	11	1.50	9.7	Can. Forg. (A)	100	16⅜	15½	15½	15½
22	13	1.50	8.8	Do. (B)	....	(— bid — asked)			
40	25	♦4.50		Can. Iron	....	(— bid — asked)			
75	65	♦7		Do. pref.	....	(70 bid — asked)			
390	390	20	5.1	Canada Life	....	(380 bid 400 asked)			
4	1		...	Can. Mach'y	....	(3¾ bid — asked)			
32	25	3.50	...	Do. pref.	....	(38 bid — asked)			
40	29¾	2+50c	6.6	Can. Malting	140	38	38	38	38
18	8¾	♦1.13	...	Can. Nor. Pr.	25	8¾	8¾	8¾	8¾
111½	90	7	7.4	Do. pref.	105	95½	95½	95	95
104¾	65	3+1	4.6	Can. Packers	45	87½	87½	85½	87½
.25	.25			Can. Paving. p.	....	(— bid .25 asked)			
150	117	8	6	Can. Perman.	9	134	136	134	136
8	6½	♦1		Can. Starch	225	7	8	8	8
110	109	7	6.4	Do. pref.	....	(110 bid — asked)			
8½	2			Can. Steamsh's.	2754	4¾	5½	4	5
21¾	9¾	♦62½c	...	Do. pref.	2052	19¾	20½	19½	20½
15½	5	♦60c	..	Can. Vinegars	201	7¾	7¾	7	7
65	40½	4	6.7	Can. W. Cable	25	61½	60	60	60
24	14	♦1.25	5.4	Do. (B)	5	20	23	23	23
108¾	105	6.50	6.1	Do. pref.	10	107	107	107	107
3	¾	.	...	Can. Bakeries	....	(½ bid ¾ asked)			
64	30	♦3	...	Do. pref.	....	(25 bid 39 asked)			
178	135	8	4.9	Can. Bk. Com.	57	161	163	160	162
2.75	.90	.	...	Can. Breweries	530	1.00	1.00	.90	.90
31¾	21¾	3	...	Do. pref.	194	24½	25	23	24½
45	29	1.50+50c	5	Can. Bronze	....	(36 bid 39 asked)			
107	102	5	4.8	Do. pref.	....	(105 bid 112 asked)			
10¾	6	♦37½c	..	Can. Canners	....	(6 bid 6½ asked)			
22½	17	♦1+15c■	6	Do. 1st pfd.	75	20	20	19¾	19¾
14	7¾	♦60+15c■	7	Do. 2nd pfd.	124	10	10	10	10
16¾	5¾	.	...	Can. Car & F'y	4860	9½	10½	9	9½
29	12¾		...	Do. pref.	2846	23¾	28	23	25½
37⅜	20	1+90c	..	Can. Celanese	430	28½	29	28	28
129	104	7+1.16■	..	Do. pref.	15	124	124	124	124
22	20	1	4.5	Do. Rights	....	(22½ bid — asked)			
19½	14	1	...	Can. Convert.	40	17½	18	17½	18
120	93	4+2	6.4	Can. Cottons	....	(93 bid 105 asked)			
118	99½	6	5.4	Do. pref.	28	105	110	105	105
32	9½	1.50	7.2	Can. Dredge	815	20½	21	20	20¾
101	100	6	6	Can. Fairb. pf.	....	(98½ bid — asked)			
14½	5	1.40		Can. For. Inv.	50	9	10	10	10
104½	98	8	7.6	Do. pref.	....	104 bid 104½ asked			
240	195	8	3.7	Can. Gen. Elec.	25	207	215	215	215
9½	5	50c	...	Can. G. Inv.	25	7¾	8½	8½	8½
3.62	1.50	15c	...	Can. Ind. Alc.	335	2.52	2.62	2.50	2.50
3.12	1.00	15c	...	Do. (B)	25	2.75	2.25	2.25	2.25
235	175	7	3.4	Can. Indust. B.	71	207	207	206½	206½
176	150	7	4	Do. pref.	....	(— bid 178 asked)			
.30	.10		...	Can. Int. I. Tr.	....	(.25 bid .50 asked)			
50	25	2	4.2	Do. pref.	15	45	48	48	48
18½	12	1	8.3	Can. Lt. & Pr.	4	15	12	12	12
20	6		...	Can. Locomo.	20	9	8	8	8
1.40	.65	♦4c	...	Can. Marconi	30	.85	.85	.85	.85
21½	11	50+50c	6	Can. Oil	25	17	17	17	17
123	109¾	8	6.8	Do. pref.	5	118	120	120	120
8½	4	.	...	Can. Pacific	11885	5¾	6½	5½	5¾
1.50	.25	.	...	C. Pr. & Pa. In.	3	.50	.25	.25	.25
5	1¾	.	...	Do. pref.	4	2½	1¾	1¾	1¾
8½	2	.	...	Can. Vickers	25	3	3½	3½	3½
33	7¾	.	...	Do. pref.	80	13	14½	13	14½
13½	9½	1	...	C. Wallpaper A.	....	(8¾ bid 10 asked)			
13	7	1	...	Do. (B)	10	8	8½	8½	8½
52½	39	♦1.50	..	Can. West'ho'se	20	42	44¾	44¾	44¾
5½	3	15c	..	Can. Wineries	....	(3¾ bid 4½ asked)			
22	13½	1.50	7.3	Can. Wire Box	40	20½	20½	20½	20½
1.75	1.00			Capital Estates	644	1.25	1.25	1.25	1.25
119	114	5	4.2	Carnation, pfd.	....	(118½ bid — asked)			
18	8½	50c	5.3	Catelli Food	....	(— bid 10 asked)			
14½	10	75c	7.5	Do. pref.	....	(10 bid 14 asked)			
37½	37½	1	...	Celanese of A c	....	(— bid — asked)			
2.25	1.50		...	Celtic Knit	....	1.60 bid 3.00 asked			
160	160	8	5	Cent. Can. L'n	....	(135 bid 160 asked)			
102	95	4+1	5.3	Chart. Trust	....	(75 bid 94 asked)			
.54	.10		...	Chem. Research	2400	.20	.32	.30	.30
.20	.05	.	...	City Gas & El.	....	(.30 bid — asked)			
.15	.03	.	...	Claude Neon	....	(.10 bid .20 asked)			
1.42	1.00	12c	...	Coast Brew.	....	1.35 bid 1.38 asked			
9½	3¾		...	Cockshutt Plow	555	5¾	5¾	5	5
3.50	1.15	10c	...	Comm. Alcohol	200	1.90	1.95	1.95	1.95
7	5	40c	6.6	Do. pref.	65	6	6	6	6
4¾	3¾	♦40c	..	Conduits Nat.	....	(2½ bid 5 asked)			
19	12½	1+25c	9.2	Cons. Bakeries	10	14	13½	13½	13½
.10	.05		...	Cons. Div. Sec.	....	(.01 bid .08 asked)			
11	6½	75c	...	Do. pref.	....	(7½ bid 14 asked)			
8½	3		...	Cons. Paper	2233	4	4	3½	3¾
10	3½	.	...	Cons. Press	....	(3¾ bid 4¾ asked)			
75	55	♦4.75	..	Cons. Sand. pf.	....	(75 bid 90 asked)			
49	28½	1+1.25	5.8	Cons. Smelters	482	38	39½	38	39
178	140	10	6.9	Consumers' Gas	193	142	143½	142	143½
68	40	♦1.75	..	Corr. P. Box, p	....	(— bid 40 asked)			
31½	19¾	1.20	5	Cosmos Imp.	5	25	24⅜	24⅜	24⅜
32	21	2	6.9	Crown Cork	10	28½	29	29	29
3	1½		...	Crown Dom. Oil	....	(1½ bid — asked)			
35	27	3	9.7	Crow's N. Coal.	....	(30½ bid 40 asked)			
3.75	.70		...	Cub Aircraft	2600	1.05	1.00	.90	1.00

D, E

Range 1940-41 High	Low	Div R'te $	Jan 11 Y'ld %		Sales	Last Jan. 6	Week end. Jan. 13 H	L	Cl'se
19	9¾	1+10c	10	David & Fre. A	....	(10½ bid 12 asked)			
3¾	1		...	Do. (B)	....	(1½ bid 2¾ asked)			
17	6½		...	de Havilland	....	(— bid 12 asked)			
92	75	7	...	Do. pref.	....	(— bid — asked)			
3¾	1½	.	...	Disher Steel	....	(1½ bid 2 asked)			
15½	10	♦1.50	..	Do. pref.	....	(10 bid 16 asked)			
29	18½	2.22	7.4	Distill-Seagram	1275	26½	27	25½	26¾
97½	80	5	5.3	Do. pref.	....	(93 bid 97½ asked)			
39¾	39¾	1	...	Dom. Ang. Inv.	....	(30 bid — asked)			
70	70	5	7.2	Do. pref.	....	(65 bid 70 asked)			
210	150	10	5	Dom. Bank	81	195	197	195	195½
40	22	1.20	4.6	Dom. Bridge	642	26	26½	26	26½
22½	16	1.50	7.4	Dom. Coal, pf.	60	26	20½	20	20½
44	20			Dom. Engineer	....	(12½ bid 30 asked)			
36½	19	1	4.3	Dom. Foundries	162	23½	23	22¾	22¾
110	103½	6	5.7	Do. pref.	....	(107 bid 110 asked)			
129	113	5	3.9	Dom. Glass	10	126½	126	126	126
156	135	7	...	Do. pref.	....	(149 bid — asked)			
35	29	1.20+40	5.3	Dom. Oilcloth	....	(29½ bid 30½ asked)			
1.50	1.00		...	Dom. Scot. Inv.	....	(.45 bid .90 asked)			
31	24½	♦2.25	...	Do. pref.	....	(25 bid 27 asked)			
4¾	1	.	...	Dom. Square	....	(1½ bid 2¾ asked)			
15¾	6½	.	...	Dom. St. & C.B.	2191	9⅜	9½	9½	9¾
6½	3	.	...	Dom. Stores	684	5	5	4½	4¾
8½	3		...	Dom. Tar & Ch.	20	4½	4½	4½	4½
90	75	5.50	6.3	Do. pref.	....	(— bid 90 asked)			
90½	70	5	6.2	Dom. Textile	395	82	82	80	80
155	140	7	4.8	Do. pref.	....	(144 bid — asked)			
3¾	½	.	...	Dom. Woollens	....	(1½ bid 2 asked)			
9½	3	60c	...	Do. pref.	260	7¾	8	7¾	8
10	3½	.	...	Donnacona P.A.	1017	4¾	5¾	5	5¾
9½	3	.	...	Do. (B)	265	4¾	5½	4¾	4¾
11¾	4	.	...	Dryden Paper	235	5½	5½	5	5½
•1.00	.30	.	...	East Koot. Pr.	....	(— bid — asked)			
7	5	.	...	Do. pref.	....	(7 bid 10 asked)			
1.00	.50	.	...	East Dairies	....	(— bid 1.00 asked)			
11½	3	.	...	Do. pref.	100	9½	9	8	9
18½	8	1	7.7	East Steel	....	(14 bid 15 asked)			
6½	6½	.	...	East. Theat.	....	(— bid — asked)			
4½	2½	.	...	Easy Washing	....	(2½ bid 3¾ asked)			
29½	18	1.75	...	Economic Inv.	....	(22 bid 24 asked)			
12	6¾	♦1.10	...	Electrolux	....	(8 bid 8½ asked)			
5½	2		..	Enam. & Heat.	....	(2½ bid 3 asked)			
34	21	2.50	9	English Electric	....	(29 bid — asked)			
6	1½		...	Do. (B)	....	(4½ bid 5 asked)			
6	3½	15c	...	Equitable Life	....	(5 bid 5½ asked)			

F, G

Range 1940-41 High	Low	Div R'te $	Jan 11 Y'ld %		Sales	Last Jan. 6	Week end. Jan. 13 H	L	Cl'se
6½	2			Fairchild Air	305	3	3	2¾	2¾
24	18	1	4.5	Fam. Players	....	(— bid 22 asked)			
30	20¾	1.50+25c	6	Fanny Farmer	525	27¾	27¾	27¾	27¾
10½	3½	.	...	Fleet Aircraft	505	5½	6	5½	6
1.50	.75		...	Fleury Bissell	....	(— bid .75 asked)			
27	17	.	...	Do. pref.	....	(15 bid 17 asked)			
22¾	13½	1	6.5	Ford Motor A.	3386	15	15¾	15	15¾
21½	14	1	6.7	Do. (B)	....	(15½ bid — asked)			
.20	.05	.	..	For. Pr. Secs.	....	(.15 bid — asked)			
16⅜	6	♦50c	..	Foundation Co.	106	12½	12½	12⅜	12⅜
20	6	.	...	Fraser Cos.	5	8½	9	9	9
21⅜	7½	.	...	Do. Vot Tr.	748	10	10½	9¾	9¾
.50	.50	.	...	Freiman	....	(.50 bid — asked)			
42	25	.	...	Do. pref.	2	42	41	41	41
16½	9	80c	8.4	Gatineau Pwr.	215	9¾	9½	9½	9½
97	79	5	5.6	Do. pref.	34	90	89	88	89
105½	90	5.50	5.8	Do. 5½% pref.	10	95½	95	95	95
6	1½	.	...	Do. Rights	10	1½	1½	1½	1½
10¾	4½	.	...	Gen. St. Wares	246	5¾	6½	5¾	6
96½	77	7+76c■	..	Do. pref.	35	93¾	94	93½	94
87	58	2.50+2.50	6	Goodyear Tire	150	79	80	79	80
57½	51	2.50	4.6	Do. pref.	90	53½	54	53½	53½
*50	50	♦7	...	Gould Pumps, p	....	(— bid — asked)			
8	4	.	...	Gt. Lakes Pap.	....	(2½ bid 7 asked)			
29	18½	♦1.25	...	Do. pref.	....	(— bid 27 asked)			
8	2	.	...	Do. Vot. tr. c	64	3½	3½	3	3
27½	13	♦1.25	...	Do. Vot. tr. p	74	18	18	18	18
3½	1¾	.	...	Gt. W Saddlery	....	(2 bid 3 asked)			
35	24	♦3	...	Do. pref.	....	(29½ bid 35 asked)			
14¾	11	60c	5.1	Greening Wire	....	(10¾ bid 11 asked)			
1.25	1.25	10c	...	Growers' Wine	....	(— bid — asked)			
10½	4	.	...	Gurd, Chas.	....	(4 bid 5 asked)			
107½	106½	7	6.5	Do. pref.	....	(— bid 108 asked)			
5½	2½	.	...	Gypsum, Lime	980	3½	3½	3½	3½

H, I

Range 1940-41 High	Low	Div R'te $	Jan 11 Y'ld %		Sales	Last Jan. 6	Week end. Jan. 13 H	L	Cl'se
21½	21½	1	4.7	Halifax Fire	....	(— bid 17 asked)			
8½	2¾		...	Ham. Bridge	1357	4½	5½	4¾	4¾
39	34	2+1.25▲	5½	Ham. Cot., pf.	10	34½	34½	34½	34½
2.50	50		...	Ham. U. Theat.	....	.75 bid 1.00 asked			
75	50	♦5.50	...	Do. pref.	5	65	65	65	65
4¾	2¾	20c+10c		Harding Carpet	....	(3½ bid 3½ asked)			
.25	.25		...	Hillcrest Coll.	....	(.10 bid 1.00 asked)			
4	2		...	Do. pref.	....	(2½ bid 4 asked)			
16	7½	50c	4.7	Hinde & Dauch	52	10¾	10½	8½	10½
*20	20		...	Holt Renfrew	....	(— bid 14 asked)			
40	20		...	Do. pref.	....	(17 bid — asked)			
25	15	1	5.9	Honey Dew	6	17	17½	17½	17½
23½	11½	.	...	H. Smith Pap.	53	14½	14¾	14¾	14¾
106	85	6	5.9	Do. pref.	121	98½	101	99½	101
17	10½	1	5.6	Humberstone S.	....	(14 bid 19 asked)			
11	4		...	Hunts (A)	....	(4½ bid 5 asked)			
10½	5		...	Do. (B)	....	(4½ bid 7 asked)			
74½	53	4	7.4	Huron & E. Mt.	....	(54 bid 64 asked)			
13	8	80c	...	Do. 20% pd.	....	(.. bid 10 asked)			
2¾	2½	20c	...	Hydro Electric	....	(1 bid 1¾ asked)			
220	150	10	4.9	Imperial Bank	11	205	203	203	203
15¾	8½	♦50+12½c	6	Imperial Oil	5767	9¾	10½	9½	10½
16½	12	40+22½c	4	Imperial Tob.	3860	14	14	13¾	13¾
8	6½	6%	4.2	Do. pref.	....	(— bid 8 asked)			
29	15¾	1	12.5	Indust. Accept.	10	15½	16	16	16
36	25	3	...	Inter-City Bak.	....	(20 bid 23 asked)			
51	50	6+1	...	Inter'c Coal	....	(50 bid — asked)			
120	120	8	6.7	Do. pref.	....	(120 bid — asked)			
23	14	1.50	9.4	Inter. Bronze	....	(16½ bid — asked)			
28½	19¾	1.50	6.4	Do. pref.	....	(24 bid — asked)			
.30	.30	3c	...	Int. Coal & C.	....	(.25 bid .40 asked)			
15½	5		...	Int. Metal Ind.	55	9½	9½	9	9
114	90	6+12▲	5.7	Do. pref.	50	103	105	105	105
113½	85	6+12▲	5.9	Do. pref. A.	....	(100½ bid 112 asked)			
116	111¾	5	4.3	Int. Mill., pf.	40	116	115¾	115¾	115¾
47	27	2	5.5	Int. Nickel	2876	34½	36½	34¾	36½
3½	1		...	Int. Paints	30	1	2½	2	2
18	11	1+25c▲	...	Do. pref.	....	(13½ bid 20 asked)			
23½	12		...	Int. Pap. & P.	....	(— bid 17 asked)			
81	47	5+1.23▲	6½	Do. pref.	40	74½	73	73	73
24	12½	♦1.25	8	Int. Pete.	3477	14½	15¾	14¾	15¾
6	2		...	Int. Power	10	3	3½	3½	3½
96	69	♦6.25	...	Do. pref.	32	88	87½	86½	86½
*112	10½		...	Int. St. Rlty. A.	....	(— bid 10 asked)			
*4	3½		...	Do. (B)	....	(— bid 4 asked)			
11½	4½		...	Int. Util. (A)	....	(7 bid 9½ asked)			
.65	.15		...	Do. (B)	500	.15	.25	.20	.25

J, K, L

Range 1940-41 High	Low	Div R'te $	Jan 11 Y'ld %		Sales	Last Jan. 6	Week end. Jan. 13 H	L	Cl'se
14½	12	68c		Jam. Pub. Ser.	....	(11 bid 13½ asked)			
135	128	7	5.5	Do. pref.	....	(— bid 129 asked)			
9½	5	♦1	...	Kelvinator	20	8½	9	9	9
28	9		...	L. St. John Pr.	90	10	11	10½	11
2.50	.65		...	Lake Sulphite	20	.85	.75	.75	.75
27	14	1	6.7	Lake of Woods	10	16	15	15	15
128	110	7	6.2	Do. pref.	....	(112 bid — asked)			
55	48¾	4	7.7	Landed Bank	....	(48 bid 55 asked)			
17	10	70+30c	..	Lang, J. A.	10	11	12	12	12
*3½	2½		...	Langley's	....	(— bid 1¾ asked)			
27	13		...	Do. pref.	....	(13 bid 15 asked)			
13½	9	80c	7.8	Laura Secord	295	10½	10½	10½	10½
10	2		...	Legare, pref.	710	7	10	8	9½
6	3	15c	...	Levy Bros.	....	(3 bid — asked)			
5½	2		...	Lindsay, C. W.	115	4½	4½	4½	4½
55	25		...	Do. pref.	....	(48 bid 52 asked)			
28½	20	1+25c	4.6	Loblaw (A)	400	27	27	26¾	26¾
27	20	1+25c	4.8	Do. (B)	220	25¾	27	25¾	27

M

Range 1940-41 High	Low	Div R'te $	Jan 11 Y'ld %		Sales	Last Jan. 6	Week end. Jan. 13 H	L	Cl'se
1.05	.10	.	...	Mackenzie Air.	600	1.00	1.00	1.00	1.00
2½	2	.	...	MacKin. Steel	....	(2½ bid 4 asked)			
59	55	♦2.12½	..	Do. pref.	....	(— bid 75 asked)			
22	9	.	...	Maclaren Pr. p.	420	15¾	15½	15¾	15¾
10	6	.	...	M. L. Gardens	....	(6 bid 10 asked)			
7½	4	70c	...	Do. pref.	75	7	7½	7½	7½
5½	1¾	.	...	Maple Leaf M.	1193	2¾	2½	2½	2½
9½	3	.	...	Do. pref.	727	4	4¾	4	4¾
17½	15	70+10c	..	Maritime Tele.	....	(16½ bid — asked)			
17½	16	70c	4.4	Do. pref.	....	(16⅜ bid — asked)			
15	12	.	...	Marcus Loew's.	....	(14½ bid — asked)			
*100	100	7+7▲	...	Do. pref.	....	(— bid — asked)			
6½	2½	.	...	Massey-Harris	2163	3½	3½	3½	3½
59½	25	.	...	Do. pref.	370	30½	31½	30	31½
9½	4	.	...	McColl Fron.	800	4½	5¾	4¾	5½
101½	80	6	6.2	Do. pref.	60	95	96½	95	96
1.65	.75	.	...	Melchers	12	.75	1.00	1.00	1.00
6½	3½	30c	...	Do. pref.	85	5	5½	5½	5½
*1½	1½	.	...	Mercantile Tran	....	(1½ bid — asked)			
*5	5	6%	...	Do. pref.	....	(4½ bid — asked)			
12½	5	.	...	Mercury Mills	217	7½	7¾	7	7
47	43	2	4.2	Mitchell, J. S.	....	(— bid 50 asked)			
112	110	7	6.2	Do. pref.	....	(112 bid — asked)			
15½	5¾	50c	...	Mitchell, Robt.	100	9	9½	9¾	9½
20	12½	80+40c	7	Mod. Contain.	80	16	16¾	16	16¾
99½	93	5.50	5.7	Do. pref.	....	(— bid 100 asked)			
6	2	.	...	Monarch Knit.	....	(— bid — asked)			
70	60	7	...	Do. pref.	....	(60 bid 75 asked)			
81	55	4	6.3	Montreal Cot.	2	63	60	60	60
120	107	7	6.4	Do. pref.	....	(115 bid — asked)			
.25	.10	.	...	Mont. Is. Pr.	....	(.25 bid .50 asked)			
31¾	25	1.50	5.1	Mont. L. & Pr.	2331	28¾	29½	28½	28¾
50½	46½		...	Do. Notes	203	49¾	50½	50	50
15	15	♦1.62½	..	Montreal Loan	....	(15 bid — asked)			
.85	.16	.	...	Mtl. Refr. & S.	....	(.50 bid .85 asked)			
10½	6	1.25	...	Do. pref.	....	(10 bid — asked)			
45	38	3.20	8.4	Montreal Tele.	....	(— bid 38 asked)			
59½	39	6	11.5	Montreal Tarms	51	52	52	52	52
48	34½	♦1.70+60c	5	Moore Corp.	367	47½	47½	47	47
189	144	7	3.6	Do. pref. (A)	7	188	188	188	188
282	210	7	2.5	Do. pref. (B)	....	(280 bid — asked)			
.05	.05	.	...	Muirheads	....	(.05 bid .15 asked)			
1	1	.	...	Do. pref.	....	(— bid — asked)			

N, O

Range 1940-41 High	Low	Div R'te $	Jan 11 Y'ld %		Sales	Last Jan. 6	Week end. Jan. 13 H	L	Cl'se
38	25	2	7.5	Nat. Breweries	396	26½	26¾	26½	26¾
42	32	1.75	4.5	Do. pref.	295	38½	38½	38½	38½
8½	4	.	...	Nat. Grocers	211	5	5	5	5
26½	22	1.50	5.9	Do. pref.	50	24¾	25¾	25½	25¾
10½	6¾	.	...	N. Sew. Pipe A	2	7½	7	7	7
69	34	2	5.2	Nat. Steel Car	160	38	38½	37½	38½
193	160	8	5	National Tr.	....	(150 bid 165 asked)			
9½	9½	35c	...	Neon Prod.	....	(— bid — asked)			
32½	20	2	8	Niag. W. Weav.	60	25	25	25	25
6½	2½	.	...	Noorduyn Av.	....	(2 bid 3 asked)			
1.30	.60	.	...	North Star Oil	....	(.90 bid 1.00 asked)			
4½	3½	35c	...	Do. pref.	10	3¾	3½	3½	3½
93	85	6	7	N. S. L. & Pr.	21	85	86	86	86
107½	100	6	5.7	Do. pref.	....	(106 bid — asked)			
33½	20	1	4.8	Ogilvie Flour	1095	21	21½	21	21½
162	140	7	4.7	Do. pref.	....	(150 bid — asked)			
112	105¾	5	4.7	Ontario Loan	10	107½	105¾	105¾	105¾
5½	2	.	...	Ont. Silknit	....	(— bid 5 asked)			
45	19	.	...	Do. pref.	30	35	45	40	45
6	3	.	...	Do. Script	....	(5 bid — asked)			
12	5	♦1	...	Ont. Steel	75	10	9½	8½	8½
115	110	7	6.1	Do. pref.	....	(— bid 120 asked)			
4¾	1	.	...	Orange Crush	....	(1½ bid 1¾ asked)			
9½	5	70c	...	Do. pref.	....	(6½ bid 8 asked)			
13¾	6¾	40c	4.8	Ottawa Car	10	9	8½	8½	8½
16¾	7½	1.20+30c	...	Ottawa El. Rly.	....	(14 bid — asked)			
16	9¾	5	10	Ott. L. H. & Pr.	350	11	10	10	10
103	90	5	5.1	Do. pref.	....	(— bid 99 asked)			

P, Q, R

Range 1940-41 High	Low	Div R'te $	Jan 11 Y'ld %		Sales	Last Jan. 6	Week end. Jan. 13 H	L	Cl'se
21	18	3c	...	Pacific Coyle	....	(— bid — asked)			
111½	89½	5+50c	5.3	Page Hersey	108	104	104	103¾	104
6	3¾	.	...	Pantepec Oil	....	(— bid — asked)			
40	30	2	5	Paton Mfg.	....	(25 bid — asked)			
115	115	7	6.1	Do. pref.	....	(110 bid — asked)			
72	46	3	6	Penmans	10	50	50	50	50
135	117	6	4.9	Do. pref.	....	(121 bid 125 asked)			
24	14	1+50c	9	Photo Eng.	60	15	16½	16	16½
101	95	7	7.3	Porto Rico Pr. p	16	96	96	95½	96
11½	5½	60c	10.4	Power Corp.	1132	5¾	6	5¾	5¾
106½	89	6	6.3	Do. pref.	45	94	98	95½	95½
47	40	3	7.1	Do. 2nd pref.	43	42½	43	43	43
12½	6	1	10.8	Pressed Metals	375	9¾	9½	9	9¼
24	9			Price Bros.	578	12¾	12½	12½	12¾
80½	59½	5½+1.37½▲		Do. pref.	20	68½	70	68	68
7¾	4	40c	5.9	Prov. Transport	....	(6¾ bid 7 asked)			
17½	13	1	7.1	Quebec Power	326	14¾	14¾	14	14
4¾	4			Que. Telephone	....	(4 bid 4½ asked)			
30	24	2	8.3	Real Estate L'n	11	24	24	24	24
6	3	25c	...	Regent Knit	....	(4¾ bid 6 asked)			
17	10	1.60	10	Do. pref.	....	(15¾ bid 18 asked)			
10	3		...	Reliance Grain	....	(4½ bid 8 asked)			
66	64	6.50	...	Do. pref.	....	(60 bid — asked)			
28	16½	2	12.1	River S. Mill	....	(16¾ bid 17 asked)			
4½	1		...	Rogers Majest.	2125	4	4½	3½	3½
19½	12	♦75c	5.8	Rolland Pap.	....	(— bid — asked)			
19½	12	♦75c	5.8	Do. Vot Trust	....	(— bid 3 asked)			
102½	85	6	6.3	Do. pref.	....	(94 bid 99 asked)			
190	145½	8	4.8	Royal Bank	82	165	166½	164¾	165
18	14	80c	5.3	Russell Indust.	95	17	15	14	14
190	135	7	4.6	Do. pref.	100	150	151	150	151

S

Range 1940-41 High	Low	Div R'te $	Jan 11 Y'ld %		Sales	Last Jan. 6	Week end. Jan. 13 H	L	Cl'se
108	99	5.50	5.3	Saguenay Pr. p	35	107	107	104½	104½
38	30	1.50+50	5	Sangamo	....	(34½ bid 37 asked)			
13½	4½	.	...	Sarnia Br. (A)	....	(6½ bid 14 asked)			
2¾	1½	.	...	Do. (B)	....	(1 bid 2½ asked)			
24½	15½	90c	5.4	Shawinigan Pr.	2440	17	17	15½	16½
15	7		...	Sher. Wms.	25	12	12	12	12
126	110	7+5.25▲	6	Do. pref.	52	112	115	110	114¾
6⅜	3		...	Silverwoods	97	4	4½	4	4
7½	5	40+40c▲	...	Do. pref.	390	6½	6½	6	6
9	5½	60c	...	Simon & Son	....	(5½ bid 6½ asked)			
105½	100	7	6.6	Do. pref.	10	105½	105½	105½	105½
21½	10½	.	...	Simpson, A.	....	(10½ bid 14½ asked)			
12½	3			Do. B	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
105	79	6.50+1▲	6½	Do. pref.	80	99	100	99	99¾
130	125	6	4.8	Simpson, R., pf.	....	(130 bid 140 asked)			
15	9½	80c	7.6	So. Can. Pr.	35	10½	10½	10½	10½
112	92	6	5.6	Do. pref.	69	103	104	102½	102½
5¾	2	.	...	St. Law. Corp.	1343	2¾	2¾	2½	2¾
21	10¾	1+90c	6	Do. (A)	55	17	16¾	16½	16¾
30	17	1+50	7.2	St. Law. Flour	....	(21 bid 23½ asked)			
125	110	7	6.2	Do. pref.	5	111	112	112	112
52½	20	2+2	5	St. Law. Pap. p	185	40	40½	39½	39½
14	7½	♦1+25	..	Stand. Chem.	....	(10½ bid — asked)			
2	1	.	...	Stand. Clay	....	(1½ bid 3½ asked)			
2.00	.25	.	...	St. Pav. & Mat.	206	.65	.90	.75	.85
6¾	2¾	.	...	Do. pref.	2	3½	2¾	2¾	2¾
28½	17	60+60c	6½	Stedman Bros.	20	19	25	25	25
86½	61½	1.75‡	5.5	Steel of Can.	235	67	69½	68	69½
83	62	1.75	2.4	Do. pref.	183	71	74	71	73½
4	2	.	...	Sterling Coal	7	3	3	2	2
.25	.25	.	...	Stop & Shop	....	(— bid .20 asked)			
12½	10	80c	8	Stuart, D.A. pf.	....	(— bid 14 asked)			
3½	2¾	.	...	Supersilk H.A.	....	(— bid 2¾ asked)			
4¾	4	.	...	Do. (B)	....	(3 bid — asked)			
82	72	5	...	Do. pref.	....	(— bid 77 asked)			
34	26	1+50c	5.8	Sup. Pete. ord.	145	26	26	26	26
32	28	1+50c	4.7	Do. com.	....	(25 bid 28 asked)			

T, U, V

Range 1940-41 High	Low	Div R'te $	Jan 11 Y'ld %		Sales	Last Jan. 6	Week end. Jan. 13 H	L	Cl'se
12	8¾	80c	7.6	Tamblyn	310	10¾	11	10½	10½
53	52½	2.50	4.8	Do. pref.	7	52½	52½	52½	52½
3	3	.	...	Thayers	....	(1½ bid 6 asked)			
36	20	2.50	...	Do. pref.	....	(20 bid 35 asked)			
3.00	.20	.	...	Thrift Stores	....	2.00 bid 3.00 asked			
12	6	.	...	Do. pref.	....	(9 bid 11 asked)			
13½	9½	60c	6.2	Tip Top Tailors	....	(9¾ bid 10½ asked)			
110	100	7	6.5	Do. pref.	5	104	107	107	107
3.00	.50	.	...	Tooke Bros.	....	1.00 bid 2.00 asked			
12	5	.	...	Do. pref.	....	(10 bid 15 asked)			
32	16	1	4.5	Tor. Elevators	....	(21½ bid 23 asked)			
49½	37	2.62½	5.8	Do. pref.	....	(43 bid 47 asked)			
90	70	4	5.2	Tor. Gen. Tr.	30	76½	76½	75¾	75¾
98	70½	5	6.7	Toronto Mtge.	3	75	75	75	75
160	140	7	5	Tuckett Tob. p	....	(— bid 146 asked)			
2¾	1½	.	...	Twin City	....	(1¾ bid 2¾ asked)			
28	28	.	...	Do. pref.	....	(— bid — asked)			
17	12	80+20c	7	Union Gas	445	14	14½	14	14½
13½	12	♦80c	6.2	Un. Amuse. A.	4	13½	13	13	13
13½	11½	♦80c	6.2	Do. (B)	1	13	13	13	13
•1.05	.90	.	...	Un. Cigar-W.	....	(— bid — asked)			
.85	.60	.	...	United Distill.	....	(.60 bid .80 asked)			
42	30	3	8	United Fuel, pf.	165	38½	38½	37	37
10	3	.	...	Do. B. pref.	65	6	5¾	5	5¾
5¾	2½	.	...	United Secs.	....	(4¾ bid 7 asked)			
6½	2¾	.	...	United Steel	610	3¾	4	3½	3¾
4½	1½	.	...	Viau Bisc.	5	3½	4	4	4
60	45	5	10	Do. pref.	....	(45 bid — asked)			

W, Y, Z

Range 1940-41 High	Low	Div R'te $	Jan 11 Y'ld %		Sales	Last Jan. 6	Week end. Jan. 13 H	L	Cl'se
37	22	2	6.7	Wabasso Cot.	5	29¾	28½	28½	28½
48	29½	4	8.8	Walker-Good.	542	45¾	46	45	45½
20½	16	1	4.9	Do. pref.	469	20½	20½	20	20
1.25	.50	5c	...	Walkerville Br.	....	(.75 bid — asked)			
135	120	7	5.4	W. Koot. Pr. pf.	....	(130 bid — asked)			
5	1½	.	...	West. C. Flour	....	(1¾ bid 1¾ asked)			
47	21		...	Do. pref.	61	25½	25½	25	25
62	40	3	6.5	West Grocers	....	(45 bid 48 asked)			
112	103	7	6.3	Do. pref.	....	(96 bid 125 asked)			
11¾	11¾	50c	4.2	W'minster Pap.	....	(— bid — asked)			
15	9½	80c	7.3	Weston Ltd.	316	10½	11½	10¾	11
99	76	5	5.2	Do. pref.	115	98	97	97	97
24½	16	1	5.6	Wilsils	150	18	18	18	18
2.63	.50	.	...	Winnipeg El. A	463	1.00	1.15	.85	.85
2.37	.50	.	...	Do. (B)	100	.90	1.00	1.00	1.00
12	5	.	...	Do. pref.	76	7	8	7	7
85	60	7	10.4	Wood, A. & J. p	....	(74 bid — asked)			
70	30	.	...	Woods Mfg., pf.	[illegible]	45	45	45	45
11	5½	♦30c	...	York Knitting	40	5½	5½	5½	5½
•100	100	7	7	Do. 1st pref.	....	(105 bid — asked)			
13	8½	.	...	Zellers	....	(8½ bid 9½ asked)			
25	21	1.50	6.1	Do. pref.	....	(23½ bid — asked)			

Quotations: •1939. *1938.
▲ On account of arrears. ♦ Paid in 1940.
‡ Plus extra of $2 payable Feb. 1, 1941. ■ Participating.
° Plus stock div. of $1.50.

Mining Stocks

Week Ending January 13

A

Par Val.	Range 1940-41 High	Low	Company	Sales	Close Jan 6 (or last)	High for week	Low for week	Close Jan. 13
No	.38	.10	Aldermac	5,750	.16	.16½	.15	.15
1	.06½	.01	Amm. Gold	5,500	.01½	.01½	.01½	.01½
No	3.00	1.40	Anglo-Huronian	435	2.75	2.65	2.60	2.65
No	.40	.25	Argus Interest	......	(.30 bid .40 asked)			
No	.03	.01	Arno	......	(.... bid .01¼ asked)			
1	.17	.04	Arntfield	17,200	.07	.07½	.06½	.07
1	.07	.02	Ashley	2,000	.05½	.05½	.05½	.05½
1	.05	.02	Astoria Quebec	3,250	.04½	.04	.03	.04
1	2.68	.90	Aunor Gold	5,335	2.27	2.40	2.20	2.40

B

Par Val.	Range 1940-41 High	Low	Company	Sales	Close Jan 6 (or last)	High for week	Low for week	Close Jan. 13
1	.18½	.02	Bagamac	4,700	.16	.15	.12	.13
1	.28	.05	Bankfield	26,000	.08	.07½	.06½	.07½
No	.33	.07	Base Metals	10,000	.10⅜	.10½	.09½	.09½
1	.15	.02½	Bear Exploration	45,800	.13	.15	.12	.14
1	1.26	.70	Beattie Gold	8,186	1.20	1.20	1.14	1.20
1	.13	.03½	Beaufor	4,500	.07½	.09	.07½	.09
1	.80	.80	Berens River	......	(.60 bid 1.00 asked)			
1	.52½	.07½	Bidgood Kirk	14,900	.09	.13½	.08	.12½
1	.14	.02	Big Missouri	2,100	.05	.05	.04	.05
1	.11½	.03½	Bobjo	8,300	.07	.07	.06½	.07
1	.04¾	.02	Bouscadillac G.M.	......	(.03 bid .04 asked)			
No	11.25	7.25	Bralorne	215	10.25	10.37	10.25	10.37
1	.06	.01½	Brazil Gold	......	(.02½ bid .05 asked)			
1	.01¾	.00½	Brett Trethewey	1,000	.00¾	.01	.01	.01
1	1.07	.28	Brouilan Pore	135,694	.94	1.07	.92	1.07
1	8.70	2.75	Buffalo Ankerite	2,620	5.00	5.95	5.00	5.60
No	.04½	.01½	Buffalo Can.	43,500	.03	.04½	.03½	.04
5	23.50	10.00	Bulolo Gold	1,325	17.50	18.00	17.00	18.00
No	.03½	.01	Bunker Hill	......	(.01½ bid .03 asked)			

C

Par Val.	Range 1940-41 High	Low	Company	Sales	Close Jan 6 (or last)	High for week	Low for week	Close Jan. 13
No	.90	.30	Can. Malartic	1,200	.48	.50	.50	.50
1	2.67	1.65	Cariboo Gold	1,120	2.35	2.55	2.30	2.55
1	.02½	.01	Cartier Malartic	500	.02	.01	.01	.01
1	.75	.45	Castle Trethewey	1,850	.55	.55	.50	.50
1	.20	.05	Cen. Cadillac	900	.05	.07	.07	.07
1	2.55	1.45	Cen. Patricia	2,245	1.90	1.95	1.89	1.90
1	.15	.03	Cen. Porcupine	32,300	.10	.15	.09	.13½
1	.21	.08	Century Mining	5,000	.17	.17½	.16	.17
1	1.74	.41	Chesterville	62,628	1.47	1.74	1.48	1.68
No	.58	.15	Chromium	......	(.15 bid .17 asked)			
1	1.00	.30	Cochenour Willans	35,850	.99½	1.04	.96	.98
5	2.20	.50	Coast Copper	......	(1.05 bid 1.50 asked)			
5	1.70	1.25	Coniagas	500	1.35	1.55	1.55	1.55
No	1.98	1.00	Coniaurum	6,024	1.55	1.55	1.50	1.55
5	40.00	28.50	Cons. Smelters	482	38.00	39.50	38.00	39.00

D, E

Par Val.	Range 1940-41 High	Low	Company	Sales	Close Jan 6 (or last)	High for week	Low for week	Close Jan. 13
1	1.35	.50	Delnite	29,200	.90	1.24	1.00	1.23
1	.08½	.02½	Denison Nickel	5,500	.03	.03	.02½	.03
No	29.50	16.00	Dome Mines	790	24.75	24.50	24.00	24.25
1	.04	.01½	Dorval Siscoe	......	(.02 bid .03 asked)			
1	.16	.02	Duquesne	177,400	.14¾	.16	.14	.15½
1	4.10	1.95	East Malartic	70,885	2.75	2.93	2.60	2.82
1	1.25	.20	Eldorado	8,121	.50	.50	.49	.49

F, G

Par Val.	Range 1940-41 High	Low	Company	Sales	Close Jan 6 (or last)	High for week	Low for week	Close Jan. 13
No	5.05	1.70	Falconbridge	7,130	2.10	2.60	2.00	2.50
1	.06½	.01¾	Federal	8,800	.05	.05½	.04½	.05
1	.07	.01	Fernland	12,000	.04½	.04¾	.03¾	.04¾
No	.70	.19	Francoeur Gold	6,700	.52	.51	.48	.50½
1	.10½	.03½	Gillies Lake	6,500	.04	.04½	.04	.04½
1	.02½	.01	Glenora	......	(.01½ bid .01¾ asked)			
No	.69	.25	God's Lake	2,200	.37	.38	.36	.37
1	.23	.08	Goldale	2,600	.16	.16	.15½	.16
50c.	.32	.20	Gold Belt	......	(.30 bid .33 asked)			
1	.26	.05	Gold Eagle	4,200	.09	.10	.09½	.09½
1	.22	.07½	Golden Gate	15,800	.12	.13	.11½	.12½
1	.02½	.00½	Goodfish	......	(.01 bid .02 asked)			
1	.03½	.01	Graham Bosquet	......	(.01½ bid .02 asked)			
No	.07	.02½	Grandora	3,000	.05½	.06½	.06	.06
1	.04	.02	Grull Wihksne	......	(.01½ bid .04 asked)			
1	.64	.31	Gunnar Gold	1,000	.37	.38	.36½	.36½

H, I, J

Par Val.	Range 1940-41 High	Low	Company	Sales	Close Jan 6 (or last)	High for week	Low for week	Close Jan. 13
1	.03½	.00½	Halcrow Swayze	27,000	.02	.02½	.01½	.02
1	.03½	.00½	Halliwell Gold	......	(.01½ bid .01¾ asked)			
1	8.00	4.50	Hallnor	200	5.25	5.25	5.25	5.25
1	1.48	.54	Hard Rock	5,370	1.04	1.10	1.00	1.07
1	.10	.03	Harker	55,650	.05	.08	.04½	.06½
1	.57	.30	Hedley Mascot	......	(.... bid .62 asked)			
5	15.00	9.50	Hollinger	1,630	13.00	13.12	12.87	13.12
1	.40½	.20	Howey Gold	3,316	.28½	.30	.25	.29½
No	34.00	19.50	Hudson Bay	576	27.00	27.00	26.50	26.50
1	.45	.13	Inspiration	1,800	.25	.23	.20	.20
1	*9.87	7.00	Inter. Mining	......	(4.40 bid .... asked)			
No	47.00	27.50	Int. Nickel	2,876	34.75	36.50	34.37	36.50
50c.	1.09	.65	Island Mountain	......	(.70 bid .85 asked)			
1	.05	.01	Jacola	2,900	.02½	.02½	.02	.02
1	.42	.17	Jack Waite	6,000	.22	.22	.20	.22
1	.19	.01	Jellicoe	4,717	.02½	.02½	.02½	.02½
1	.04¾	.00½	J. M. Cons. Gold	1,070	.01	.01	.00½	.01
1	.08¾	.01½	Joliet Quebec	......	(.01½ bid .01½ asked)			

K, L

Par Val.	Range 1940-41 High	Low	Company	Sales	Close Jan 6 (or last)	High for week	Low for week	Close Jan. 13
1	4.10	1.20	Kerr Addison	24,524	3.85	3.85	3.70	3.80
1	.45	.20	Kerr Lake	......	(.20 bid .39 asked)			
1	.07	.02	Kirk. Gold Rand	......	(.02 bid .05 asked)			
1	.32	.10	Kirk. Hud. Bay	300	.16	.15	.15	.15
1	1.54	.70	Kirkland Lake	23,240	.96	1.05	.96	1.03
1	.18	.06½	Kirk. Townsite	300	.07½	.08	.08	.08
1	32.00	15.25	Lake Shore	782	20.00	19.87	19.12	19.75
No	7.25	4.75	Lamaque Gold	300	5.00	5.10	5.00	5.00
1	.22½	.05	Lapa Cadillac	7,000	.11	.11	.10	.11
1	.05¾	.01	Lebel Oro	2,500	.01½	.02½	.01¾	.02½
1	.88	.41	Leitch Gold	10,100	.59½	.60	.57	.57
No	3.40	1.71	Little Long Lac	4,560	2.00	2.06	2.02	2.03

M

Par Val.	Range 1940-41 High	Low	Company	Sales	Close Jan 6 (or last)	High for week	Low for week	Close Jan. 13
1	4.80	2.25	Macassa	7,150	4.25	4.20	4.00	4.15
1	2.74	1.00	MacLeod Cockshutt	7,516	2.25	2.35	2.20	2.25
1	.70	.20	Madsen Red Lake	14,373	.59½	.61	.58	.60
1	1.45	.54	Malartic Gold	24,640	1.10	1.14	1.10	1.12
No	.13½	.03	Mandy	......	(.08 bid .10 asked)			
No	.01¾	.00½	Man. & Eastern	7,500	.00¾	.01	.00¾	.00¾
1	.04½	.00½	Maralgo	2,250	.01¾	.01½	.01½	.01½
5	58.00	37.25	McIntyre	400	51.25	52.25	50.00	50.25
1	1.47	.85	McKenzie R. L.	5,450	1.21	1.30	1.17	1.30
1	.15½	.04	McVittie Graham	9,700	.07	.09	.06½	.08½
No	.58	.20	McWatters	5,250	.24	.24	.22	.23
5	.39	.39	Mentor Exploration	......	(.12 bid .49 asked)			
No	1.33	.40	Mining Corp.	6,300	.80	.82	.76	.76
1	.05	.05	Moffatt Hall	......	(.... bid .... asked)			
1	.93½	.36	Moneta	7,700	.54	.54	.52½	.53½
1	.08	.02	Morris Kirk	30,935	.05½	.05½	.04½	.04½
1	.03½	.01	Murphy	5,500	.02¾	.03¼	.03	.03

N, O

Par Val.	Range 1940-41 High	Low	Company	Sales	Close Jan 6 (or last)	High for week	Low for week	Close Jan. 13
1	.37½	.12	Naybob	37,600	.30	.31	.29	.30½
No	.04¾	.01	Newbec	......	(.01½ bid .02 asked)			
1	.09½	.05	New Golden Rose	......	(.... bid .06 asked)			
5	1.45	.75	Nipissing	300	1.17	1.18	1.18	1.18
No	78.75	42.75	Noranda	1,188	57.50	58.00	57.00	57.00
No	.62	.20	Nor. Canada	20	.40	.40	.40	.40
1	.06½	.02	Norgold	......	(.03½ bid .04¾ asked)			
1	.62	.15	Normetals	260	.38	.35	.34	.35
1	0.85	[illegible]	Northern Empire	......	([illegible] bid [illegible] asked)			
1	1.82	.51	O'Brien	3,835	1.00	1.15	1.00	1.10
1	.34	.10	Omega	4,500	.14½	.16	.15	.15
1	.10	.03½	Omsko	......	(.04 bid .06 asked)			

P, Q, R

Par Val.	Range 1940-41 High	Low	Company	Sales	Close Jan 6 (or last)	High for week	Low for week	Close Jan. 13
No	2.35	.78	Pamour	11,150	1.55	1.58	1.50	1.56
1	.10½	.02	Pandora	7,700	.07½	.08½	.07½	.08
1	.10	.02	Partanen Mal.	11,588	.04½	.04½	.02	.04½
1	2.70	1.40	Pato Cons. G.	3,650	2.65	2.70	2.60	2.65
1	.02	.00½	Pawnee Kirk	500	.01	.00¾	.00½	.00¾
1	.53	.20	Paymaster	31,200	.24	.28	.24	.26½
1	2.35	.99	Pend Oreille	2,235	1.90	1.98	1.80	1.98
1	2.12	1.01	Perron Gold	2,900	1.68	1.69	1.63	1.69
1	4.30	2.12	Pickle Crow	4,805	3.00	3.00	2.93	2.93
1	2.45	1.45	Pioneer Gold B.C.	2,405	2.20	2.25	2.15	2.20
1	14.50	9.00	Placer Devel.	......	(9.25 bid .... asked)			
1	2.18	.55	Powell Rouyn	1,700	1.00	1.04	1.00	1.00
1	1.42	.68	Premier Gold	900	.90	.93	.90	.93
1	3.75	1.30	Preston E. Dome	15,845	3.30	3.40	3.20	3.30
No	.35	.20	Prospectors Air's.	......	(.15 bid .59 asked)			
1	.42	.20	Quebec Gold	......	(.... bid .... asked)			
No	.08	.01	Quemont	......	(.04½ bid .... asked)			
No	.08½	.01	Red Crest	......	(.01½ bid .05 asked)			
1	.26	.15	Reeves McDonald	......	(.15 Dec. 31)			
1	.57	.10	Reno Gold	3,600	.12	.13½	.12	.12
1	.00¾	.00½	Robb Montbray	......	(.00½ bid .00¾ asked)			
1	.06½	.02	Roche Long Lac	13,100	.04	.05	.04	.04½

S, T, U, V, W, Y

Par Val.	Range 1940-41 High	Low	Company	Sales	Close Jan 6 (or last)	High for week	Low for week	Close Jan. 13
1	2.85	1.25	San Antonio	6,100	2.60	2.63	2.58	2.60
1	.15	.04½	Sand River	6,100	.05½	.07	.05½	.07
1	.57	.10	Senator Rouyn	35,750	.48	.53	.46½	.51
1	.05½	.01	Shawkey	2,650	.02	.03	.02	.03
50c.	1.24	.75	Sheep Creek	400	.85	.88	.88	.88
1	1.18	.50	Sherritt Gordon	9,186	.82	.85	.80	.85
1	9.00	4.00	Sigma Mines	1,441	8.75	8.90	8.70	8.75
1	.95	.45	Siscoe	9,430	.55	.55	.52	.54
1	.61	.20	Sladen Malartic	8,500	.38½	.43	.40	.42
1	.17	.02½	Slave Lake	135,600	.14	.17	.13½	.16½
1	.21	.07½	St. Anthony	27,850	.08½	.12	.09	.11½
No	3.10	1.05	Steep Rock	9,800	1.50	1.55	1.49	1.52
No	.08½	.03	Straw Lake	40,500	.04½	.04½	.04	.04
1	.21	.09	Sturgeon River	2,700	.17	.19	.17½	.19
No	2.05	.80	Sudbury Basin	2,785	1.25	1.65	1.45	1.60
1	.08½	.03	Sudbury Contact	2,000	.05½	.05½	.05	.05
1	1.02	.45	Sullivan Cons.	2,350	.63	.64	.60	.62
1	3.45	1.90	Sylvanite	975	2.95	2.90	2.80	2.85
1	4.15	2.40	Teck Hughes	12,270	3.50	3.75	3.45	3.60
1	.08½	.02½	Temiskaming	3,000	.08½	.07½	.07	.07½
1	1.90	1.00	Toburn Gold	1,400	1.55	1.61	1.60	1.61
1	.35	.09	Towagmac	1,100	.14	.14	.12	.14
No	.50	.33	Trans. Resources	900	.46	.46	.43	.43
1	1.12	.25	Uchi Gold	7,828	.35	.39	.35	.39
	97.00	64.00	Do., Bonds	......	(82.50 bid 90.00 asked)			
1	2.41	.54	Upper Canada	30,091	2.18	2.22	2.12	2.14
No	4.35	1.75	Ventures	4,553	3.20	4.25	3.15	4.10
No	6.05	2.65	Waite Amulet	2,790	3.75	4.20	3.80	4.15
1	.30	.20	Wendigo	3,350	.21	.26	.24	.24
1	.03½	.01	Wiltsey Coughlan	......	(.01½ bid .02 asked)			
1	.32	.07½	Wood Cadillac	5,250	.08½	.10	.08½	.09
No	8.25	4.70	Wright-Hargreaves	4,700	6.90	7.05	6.90	7.00
No	.07½	.04	Ymir Girl	5,200	.06½	.07	.06½	.06½

Oil Stocks

Par Val.	Range 1940-41 High	Low	Company	Sales	Close Jan 6 (or last)	High for week	Low for week	Close Jan. 13
No	.15	.02	Acme Gas & Oil	15,000	.10	.11½	.09¾	.10
1	.21	.05½	Alta. Pac. Cons.	•500	.08	.08½	.08½	.08½
1	.22½	.10	Ajax	......	(.16 bid .22 asked)			
No	1.03	.40	Anglo Canadian	14,350	.67½	.71	.64	.71
No	.07	.06	Anaconda	......	(.... bid .... asked)			
No	.18	.04	Br. Dominion	......	(.07 bid .10 asked)			
No	.19½	.06½	Brown Oil	14,200	.08½	.10	.08	.08½
92.50	75.00	65.00	Do., pref.	......	(.... bid 66.00 asked)			
No	2.39	1.00	Calgary & Ed.	2,120	1.31	1.49	1.35	1.45
1	.47	.18	Calmont	......	(.24 bid .28 asked)			
No	.33	.15	Commoil	3,500	.21	.25	.25	.25
No	.32	.15	Common Pete	1,500	.21	.21	.20½	.20½
No	.55	.15	Dalhousie	300	.30	.30	.29	.30
No	.35	.10½	Davies Pete	5,200	.14	.16	.14½	.16
No	.08	.02	East Crest	4,705	.04½	.04½	.03½	.03½
No	.26	.15	Extension Oil	2,000	.16	.16½	.16½	.16½
No	.45	.27	Federated Pete	......	(.30 bid .40 asked)			
25c.	.09	.04½	Firestone Pete	......	(.04 bid .05 asked)			
No	1.05	.30	Foothills	700	.70	.80	.70	.80
25c.	.11	.04	Foundation Pete	......	(.06½ bid .09 asked)			
No	.18	.05	Hargal	......	(.... bid .20 asked)			
No	.19½	.07	High Sarcee	......	(.15 bid .16 asked)			
No	3.10	1.30	Home	14,351	2.25	2.55	2.20	2.50
1	.07½	.01½	Homestead O. & G.	1,000	.01½	.02	.02	.02
No	.14½	.05	McD. Segur	3,590	.07	.06	.05	.05½
1	.30	.16	Model	......	(.16 bid .... asked)			
25c.	.09	.03	Monarch Royalties	......	(.... bid .05 asked)			
25c.	.21½	.04	National Petroleum	......	(.05 bid .... asked)			
1	.07½	.02	Nordon	......	(.04 bid .07 asked)			
No	.04	.01½	Oil Selections	1,500	.03	.02½	.02½	.02½
No	1.35	.60	Okalta	3,200	.72	.78	.75	.75
No	.07	.02½	Pacalta	1,000	.04	.04	.04	.04
1	.40	.20	Pacific Petroleum	400	.24	.27	.24	.24
1	.35	.25	Petrol Oil & Gas	......	(.30 bid .50 asked)			
25c.	.22	.07½	Prairie Royalties	5,600	.08	.09	.08	.08½
No	36.50	17.63	Royalite	315	21.00	22.00	21.00	21.00
No	.62½	.20	South West Pete	......	(.20 bid .30 asked)			
No	.07½	.01½	South End	13,000	.02	.02½	.02	.02
5	2.35	.90	Texas Can.	40	1.05	1.00	1.00	1.00
No	.08½	.03	United Oils	......	(.04½ bid .05 asked)			
1	.17½	.02	Vermilata	7,000	.02½	.02½	.02½	.02½
1	.60	.25	Vulcan	......	(.30 bid .... asked)			
No	.04	.01½	West Flank	......	(.01½ bid .02½ asked)			

Vancouver Stocks

Par Val.	Range 1940-41 High	Low	Company	Sales	Close Jan 6 (or last)	High for week	Low for week	Close Jan. 13
1	.14	.04	Big Missouri	1,000	.05	.05	.05	.05
No	11.25	7.55	Bralorne	890	10.10	10.40	10.05	10.40
1	.01½	.00½	Bridge River Cons.	2,000	.00¾	.00½	.00½	.00½
1	2.70	1.65	Cariboo Gold	1,750	2.27	2.70	2.35	2.70
No	.01½	.00½	Dentonia	......	(.... bid .01 asked)			
No	.02	.00½	Fairview Amal.	9,000	.01	.01½	.01	.01½
1	.28	.10	George Copper	......	(.20 Nov. 13)			
1	.05	.02½	Golconda	......	(.03½ bid .05 asked)			
50c.	.33	.15	Gold Belt	3,600	.30	.32	.30	.32
50c.	.20	.08	Grandview	3,250	.10	.14	.12½	.14
1	.04½	.01½	Grull Wihksne	......	(.... bid .02¼ asked)			
1	.60	.30	Hedley Mascot	7,000	.58	.60	.58	.60
No	.00¾	.00½	Home Gold	......	(.... bid .00½ asked)			
1	.01	.00½	Indian Mines	......	(.01 bid .... asked)			
50c.	1.10	.63	Island Mountain	......	(.80 bid .... asked)			
1	.40	.30	Inter'tl Coal	40	.40	.33	.33	.33
50c.	.85	.23	Kootenay Belle	200	.25	.24	.24	.24
1	.25	.17	McGillivray Creek	......	(.25 bid .... asked)			
No	.15½	.01	Minto Mines	......	(.... bid .01½ asked)			
50c.	.04½	.00½	Nicola	......	(.00½ bid .... asked)			
1	.13	.07	Pacific Nickel	......	(.07 Oct. 28)			
1	2.35	1.05	Pend Oreille	......	(1.90 bid 2.00 asked)			
1	2.50	1.45	Pioneer Gold	1,365	2.20	2.20	2.12	2.18
50c.	.02½	.01	Porter Idaho	......	(.01 bid .02 asked)			
No	.03½	.00½	Premier Border	221,450	.02½	.03½	.02½	.03½
1	1.42	.72	Premier Gold	2,300	.91	.93	.91	.93
No	.94	.37	Privateer Mines	15,100	.61	.63	.60	.60
1	.03½	.01	Quatsino Copper	......	(.01½ bid .03 asked)			
1	.30	.15	Reeves McDonald	......	(.15 bid .20 asked)			
1	.14½	.02½	Relief Arlington	......	(.02½ bid .03½ asked)			
1	.54	.09	Reno Gold	1,700	.13	.13	.12	.13
1	.06½	.04	Sally Mines	......	(.... bid .... asked)			
50c.	.05½	.02	Salmon Gold	......	(.02 bid .04 asked)			
50c.	1.22	.75	Sheep Creek	900	.85	.88	.86	.88
1	1.31	.55	Silbak Premier	2,042	.65	.75	.69	.75
No	.02	.00½	Silvercrest	......	(.00½ Nov. 9)			
1	.05	.05	Sunloch	......	(.05 May 11)			
50c.	.11½	.05	Surf Inlet	3,000	.10	.11½	.11½	.11½
No	.03	.02	Taylor Bridge	......	(.02 bid .... asked)			
20c.	.01½	.00½	Wellington	1,000	.01	.00½	.00½	.00½
50c.	.00½	.00½	Wesko	......	(.... bid .00½ asked)			
1	.04	.01	Whitewater	......	(.02 bid .02½ asked)			
No	.07½	.04	Ymir Yankee Girl	200	.06½	.07	.07	.07

Oil Quotations

Par Val.	Range 1940-41 High	Low	Company	Sales	Close Jan 6 (or last)	High for week	Low for week	Close Jan. 13
1	.22	.08	Alta. Pac. Cons.	100	.09	.09½	.09½	.09½
1	.00¾	.00½	Amalgamated	......	(.00½ bid .00¾ asked)			
No	.07½	.03	Anaconda	......	(.04 bid .... asked)			
No	1.02	.45	Anglo-Canadian	4,900	.67	.72	.65	.72
No	.13	.04	Brit. Dominion	......	(.07 bid .... asked)			
No	.18½	.06	Brown Oil	......	(.10 Nov. 26)			
No	2.33	1.00	Calgary & Ed.	2,035	1.38	1.45	1.26	1.44
1	.46	.18	Calmont	300	.26	.25	.25	.25
No	.32	.17	Commoil	500	.23	.25	.25	.25
1	.29	.16	Commonwealth	......	(.20½ bid .... asked)			
No	.50	.20	Dalhousie	......	(.27 bid .... asked)			
No	.31	.13	Davies Pete	......	(.15½ bid .... asked)			
No	.08	.02½	East Crest	......	(.03½ bid .... asked)			
No	.26	.15	Extension	3,000	.16½	.17	.16	.16½
No	.40	.30	Federated Petrol	1,000	.36	.36½	.35	.36½
25c	.08½	.05	Firestone	......	(.... bid .05½ asked)			
No	1.05	.38	Foothills	......	(.60 bid .... asked)			
25c.	.10	.10	Foundation Pete	......	(.... bid .... asked)			
No	.12	.08½	Four Star	......	(.... bid .12 asked)			
No	.17	.09	High Sarcee	......	(.15 bid .16½ asked)			
No	3.10	1.31	Home Oil	5,400	2.30	2.52	2.25	2.52
No	.03	.01½	Madison	......	(.01 bid .... asked)			
No	.04½	.00½	Marjon Oil	......	(.01½ bid .... asked)			
No	.15	.05½	McD. Segur Ex.	1,500	.05½	.06½	.06	.06
No	.07½	.03	Mercury	5,000	.04	.04½	.04½	.04½
No	.07½	.05	Mill City Pete	......	(.04 bid .... asked)			
1	.31	.12	Model	600	.16	.17	.17	.17
25c.	.08½	.04	Monarch Royal	......	(.04 bid .05 asked)			
25c.	.21	.05	National Pete	......	(.04½ bid .... asked)			
1	.05	.04	Nordon	......	(.04 bid .... asked)			
No	1.31	.58	Okalta	200	.70	.70	.70	.70
No	.06½	.03	Pacalta Oil	......	(.03½ bid .05½ asked)			
1	.42	.19	Pacific Petroleum	500	.25	.25	.25	.25
25c.	.21½	.07½	Prairie Royal	3,400	.07½	.08	.07½	.07½
No	.19½	.08	Royal Canadian	5,500	.10½	.11½	.10½	.11
No	.10½	.05	Royal Crest	......	(.07½ Sept. 25)			
No	36.00	17.50	Royalite	85	21.00	22.00	21.00	22.00
No	.07½	.03	South End	......	(.... bid .... asked)			
No	.60	.21	Southwest Pete	......	(.25 Sept. 11)			
1	.06	.02	Spooner	......	(.04½ bid .... asked)			
25c.	.38	.11½	Sunset Oil	......	(.10½ bid .... asked)			
No	.09	.03½	United	......	(.04½ bid .05½ asked)			
No	.07	.03½	Vanalta	......	(.04½ bid .... asked)			
1	.63	.23	Vulcan	......	(.32 bid .40 asked)			
No	.05	.02	West Flank	......	(.02 Nov. 9)			

*Quotations for 1939.

Winnipeg Stocks

(Transactions from Jan. 6 to Jan. 11)

	Sales	High for period	Low for period	Close Jan. 11
Albany River	100	.08	.08	.08
Forty-Four	500	.25	.25	.25
Frontier Red Lake	500	.07	.07	.07
Great West Life	10	205.00	205.00	205.00
Knee Lake	2,000	.01	.01	.01
Monarch Life	10	34.50	34.50	34.50
United Grain Growers	2	9.00	9.00	9.00
Western Grain, pref.	10	5.00	5.00	5.00
Western Steel	223	9.00	9.00	9.00
Wesley Gold	800	.02¾	.02¾	.02¾
Wingold	2,060	.09½	.08½	.09

Stocks Not Traded in During Week*

	Bid	Asked		Bid	Asked
Beaver Fire	75	..	Home Invest.	13	..
Beav. Lumber, c.	..	4	Nor. Can. Mtg. p.	5	..
Do., pref.	100¼	..	Nor. Trusts	7	..
Can. Airways	1	..	Traders Bldg.	43	..
Can. Indemnity	150	..	West. Brew.	1⅛	2
Cres. Cream., pf.	..	15	Wings	.20	..
Dom. Envelope, c	8½	..	Do., V. T.	.25	..
Do., pref.	..	98			

*Stocks more active on other exchanges not included.

Volume of Stock Sales

	Montreal Markets Indust.	Montreal Markets Mines	Toronto Markets Ind. & Mines	Vancouver Markets Ind. & Mines
Jan. 14	7,100	12,900	362,000	.....
Jan. 13	9,700	8,600	489,000	30,865
Jan. 11	[illegible]	[illegible]	[illegible]	[illegible]
Jan. 10	10,000	13,500	324,000	37,535
Jan. 9	15,100	5,100	371,000	96,374
Jan. 8	9,800	9,900	248,000	53,685

Government Bonds

(Supplied by Investment Dealers' Assoc. of Canada)

Dominion of Canada Bonds Jan. 15, 1941

%	Due	Bid	Ask.	Approx. Yld.
1	Mar. '41	99¾	100⅛	.20
5	Nov. '41	102½	103⅛	.90
1½	May '42	100¼	100⅝	1.00
2	June '42	100¾	101⅛	1.00
3	Oct. '42	102¾	103¼	1.20
2½	June '43	102	102½	1.42
5	Oct. '43	108	108⅝	1.73
2	June '44	100¼	101¼	1.62
a2½	Jan. '44	92½	93¾‡	4.50
4½	Oct. '44	108⅜	109¼	1.96
2½	Nov. '44	102	102½	1.75
a2½	Aug. '45	91½	92½‡	4.38
4	Oct. '45	105½	106	b1.75
4½	Feb. '46	109½	110½	2.35
3½	June '49	102½	103	b2.65
3½	Oct. '49	103	103¾	b2.45
3½	Nov. '51	101½	101¾	b2.98
3½	Feb. '52	101½	102	b2.94
a5	May '52	99½	100‡	5.00
4	Oct. '52	105¾	106½	b2.94
3	Oct. '52	98⅜	99¾	3.06
3	June '55	98⅜	99¾	3.03
4½	Nov. '56	107¾	108½	b2.90
4½	Nov. '57	108½	109	b3.03
3	June '58	97¾	98½	3.11
4½	Nov. '58	109	109¾	b3.10
4½	Nov. '59	109¾	110½	b3.13
a4	Oct. '60	91½	92½‡	4.58
a3½	Jan. '61	82¾	84¼‡	4.45
3½	June '66	100½	101	b3.17
a3e	Jan. '67	80	81½‡	4.19
a3e	Nov. '68	80	81½‡	4.14
†3	Perpet'l.	89½	90½	3.32

Dominion Guarant'd Bonds

Can. Nat'l. Railways:

%	Due	Bid	Ask.	Approx. Yld.
2	Feb. '43	100½	101½	1.39
2½	Jan. '46	99¾	100½	2.14
3	May '44	103	104	1.74
3	Dec. '50	99	100	3.00
3	Feb. '53	97¾	98¾	3.12
3	Jan. '59	97	98	3.15
*4½	Sept. '51	115½	116½	2.73
*4½	Feb. '56	115½	116½	3.11
4½	July '57	115¾	116¾	3.19
*4½	June '55	117½	118½	3.15
5	Feb. '54	117¾	118¾	3.22
*5	July '69	114¾	115¾	b1.70
*5	Oct. '69	119½	120½	b2.84
*5	Feb. '70	119½	120½	b2.88

Grand Trunk Pacific Rly.:

%	Due	Bid	Ask.	Approx. Yld.
3	Jan. '62	98½	99½	3.05

Provincial Gov't. Bonds

%	Due	Bid	Ask.	Approx. Yld.
New Brunswick:				
3	Oct. '51	89	91	4.02
3½	Aug. '49	92	93½	4.16
3½	June '56	92½	94	4.02
c4	Nov. '47	98	100	4.00
c4½	Apr. '61	100½	102	4.35
c5	Jan. '60	104½	106	4.53
Nova Scotia:				
3	Jan. '52	94½	96	3.44
3½	June '56	95	96½	3.55
3½	Nov. '50	99	100	3.50
c4½	Sept. '52	106½	108	b3.17
c4½	Nov. '60	109	111	3.72
c5	Mar. '60	113	116	3.83
Ontario:				
2½	May '45	100½	101½	2.20
3	Apr. '48	99½	100	b3.00
3	Nov. '50	98½	99½	3.09
3½	Nov. '51	100	100¾	b3.15
3½	May '55	99¾	100½	b3.20
*4	June '62	108	110	3.34
4½	June '50	109¾	110¾	3.18
*4½	Jan. '62	114½	116½	3.39
5	Oct. '48	112½	113½	3.08
5*	Dec. '60	121	124	3.34
5½	July '46	112½	113½	2.88
Ont. Hydro Commission:				
3	Aug. '48	99½	100	b3.00
3½	Feb. '53	100	101	b3.12
3½	Apr. '47	102½	103½	2.93
Prince Edward Island:				
3	Oct. '45	95	97	3.69
Quebec:				
3	Nov. '47	95	96	3.66
3½	Mar. '48	96½	97½	3.69
3½	Mar. '59	93½	95½	[illegible]
3½	Feb. '55	97½	98½	[illegible]
4	Mar. '52	99½	100½	[illegible]
4½	Aug. '58	101½	103½	[illegible]
4½	Jan. '63	106½	107½	[illegible]
Alberta:				
4	Dec. '54	58	63	d
4½	Oct. '31	66	..	d
c4½	Oct. '36	59	64	d
*5	Oct. '59	63	68	d
c5½	Apr. '32	67½	72½	d
6	Mar. '47	69	74	d
British Columbia:				
c4	Dec. '37	97½	101½	[illegible]
*4½	Jan. '51	101	105	[illegible]
c4½	Oct. '53	101	105	[illegible]
c5	Apr. '54	104	108	[illegible]
5½	Feb. '45	103	107	[illegible]
6	Feb. '47	104	108	[illegible]
Manitoba:				
c4	Dec. '37	89	93	[illegible]
c4½	Dec. '56	91½	95½	[illegible]
*5	Dec. '59	97	101	[illegible]
5½	Oct. '55	97	101	[illegible]
6	Apr. '47	99	103	[illegible]
Saskatchewan:				
4	Sept. '54	73	77	[illegible]
4	Nov. '60	72	76	[illegible]
c4½	Oct. '51	83	87	[illegible]
c4½	Mar. '60	77½	81½	[illegible]
5	Aug. '58	83	87	[illegible]
5½	Oct. '52	86½	90½	[illegible]
6	Mar. '52	89½	93½	[illegible]

*Payable Can., N.Y. and £. b—Calculated to call date giving lowest possible yield. c—Payable Can. & N.Y. a—Payable N.Y. †—Callable on or after Sept. 15, 1966. d—Traded flat. Interest being paid at 50% of coupon rate, minimum rate 2%. e—Callable at a premium. ‡—N.Y. funds.

Unlisted Stocks

Jan. 14, 1941

(Furnished by A. J. Pattison, Jr. & Co., Toronto)

Industrials:	Bid	Ask.
Acme Farm. D.	37	..
Andian National	28	29
Anglo C. Tel., A	8½	8½
Atlas Steel	17	21
Barrymore, pfd.	27	..
Blue T. Brew. A	8½	..
B. C. Pulp, c.	17	18½
Do., pfd.	69	72
B. C. Sugar	72	75
B. C. Tel., 1st p.	110	115
Burns & Co., A	2¾	4
Do., B	1½	2½
Can. Col. Air.	3	3½
Can. Co-op. Wl.	6½	8
C. I. L., A c.	210	220
Can. Ing. Rand	76	81
Can. Mot. L.A.B.	2¾	..
Can. Tube, 1st p	85	..
Chase, A. W., p.	18	20
Claude Neon, p.	3	6
Colonial Steam.	17	20
Dom. Manuf., p.	61	65
Dunlop T. p. $25	24	25
Easy Wash. p $10	10	11
Goderich Elev.	7¾	8½
Guard. Realty, p	16	18
Guelph Carp., p	105	..
Do., com.	22½	..
Gurney Fdry., p	1½	1½
Hayes Steel, c.	9½	11
Hi'land Dairy, p	46	53
Homewood San.	106	120
Inglis, John, c.	5	7
Ingram & Bell	22	26
Kingston Ship.	..	7
Do., pref.	..	25
Loblaw Inc., c.	12	13¾
Minn. O. Pap.	4	5
M'row Screw, p.	100	..
Do., com.	10	..

	Bid	Ask.
Morrison Br. un.	4½	6
Neilson, Wm., c.	9½	..
Do., pfd.	100	..
N. B. Tel., c.	11	13
N. Meth. Ldy., p	52½	58
Niag. L. A. Br.	50	59
Ont. Tobacco, p.	15	17
Pac. C. Term., c.	9	11
Paterson, Wm. p	102½	..
Prov. Paper, pfd	105	107
Ruddy, E. L., p.	21	25
Seal O Sac (Can.)	1	2½
Stand. Fuel, p.	60	65
Stedman, pf. $50	56	59
Tor. Carpet, c.	37	..
Do., pfd.	60	..
Un. F. Co-op.	2½	3½
Un. Steel, A pf.	22½	24
Viceroy Mfg., p.	23½	25½
Do., com.	11½	15½
Trusts & Loan Stocks:		
Brit. Mtgge.	120	128
Capital Tr.	27	32
Com. Fin., c.	2½	3
Grey & B. Tr. $50	43	46
Guaranty Trust	98	102
Guelph & O. $50	50	55
London & West.	..	35
Sherbrooke Tr.	120	..
Sterling Trust	57	..
Traders Fin. A c	10½	12
Do., A pfd.	93	95½
Trusts & Gr., new	50	54
Victoria Trust	70	80
Insurance Stocks:		
Canada Life	380	395
Brit. Amer.	50	55
Canadian Fire	78½	..
Confed. 30% pd.	135	145

	Bid	Ask.
Continental L.	35	..
Crown, fully pd.	245	265
Dominion Fire	135	..
D. of Can. Gen.	115	128
Empire 25% pd.	5½	6
Excelsior 38% pd.	70	..
Federal 25% pd.	51	55
Great-West Life	200	215
Halifax Fire	18	19
Imperial Life	285	295
Manufac. Life	226	240
Monarch Life	32	..
Sov. L. 25% pd.	12	15
Sun Life	320	330
Tor. General	5	8
Wellington Fire	58	..
Western Assce.	41	44
Theatre Stocks:		
Allen's King. p.	61	65
Do., London p	51	54
Do. St. Cath. p	50	55
Do., Tor., p.	31	35
Mansf. Theat., p	26½	30
Para. Kitch., p.	50	55
Do., Oshawa, c	9	11
Investment Trust Shares:		
Can. Investors	5	6
Deb. & Sec. pf.	55	..
Sec's. Hold., pf.	18	20
United Corp., A	21	23
Do., B	5	6
Power Issues:		
Can. W. N. Gas	25	..
Do., pfd.	102	104
Gt. Lakes Pr., p	101	103
Int. Util., $1.75	15	..
Do., $3.50 p.	35	..
Mtl. Is. Pwr. p.	21	..
Nor. Ont. Pr., p	71	80

Unlisted Mines

Toronto, Jan. 14, 1941

	Bid	Ask
Acordia	.24	..
Addington	.00½	.01½
Albany R (Old)	.10	.12
(New)	.25	.30
Amal Kir	.11	.13
Anoki	.02	.03
Arjon	.04	.05
Aquarius	.25	.28
Armistice	.08	.10
Argosy	.08	.09½
Area	.04½	.05
Arno	..	.01½
Athona (Old)	.02	..
(New)	.03½	.04½
Barb Lard	.02	.02¾
Bilmac	.02¾	.03¾
Bonetal	.60	.64
Brock	.41	.43
Buff Bear	.03½	.05
Calder Bo	.02½	.03½
Central M	.02½	.03½
Cheminis	.03¾	.04½
Coin Lake	.04	.04½
Cons Chib	.05½	..
Crescent	.01	.01½
Dayton	.02	.02½

	Bid	Ask
Desants n	.26	.29
Dona Pat	.02	.02½
E Lacoma	.00½	.01
Elmos	.08	.10
Franco	.25	.30
Galore	.03	.04
Gan Cop	.15	.17
Gate Pat	..	.01
Gilbec	.00¾	.01½
Gord Leb	.00¾	.01½
Hoyle nw	.34	.36
Hugh PP	.11	.12
Hutch Lke	.01	.01½
Jason M	.48	.51
Keora	.01½	.02½
Kenricia	.01½	.02
Kewaga'a	.01½	.02½
Kiena	.05	.07
Kirk Gate	.01	.02
Lacoma	.00¾	.01½
Lake Duf	.24½	.26½
Lardego	.00¾	.01½
Lake Gen	.04	.06
Lw Pete	.20	.23
Magnet C	.92	.95
Magnet L	.20	..
Manik'u	6.00	6.35
Magwell	.03	.04½

	Bid	Ask
Margaret	.08½	.10
Martin Br	.04	.05
Mata Can	.04½	.05½
Mata Con	.17	.19
Mof Hal n	.03	.04
Monarch	.01½	.02½
Mooshla	.02	.03
Mosher	.06	.07
McGregor	.02	.03
Nat Mal	.45	.48
Negus	1.05	1.10
New Roy	.00½	.01½
New Aug	.40	.44
Nickel O	1.05	1.20
Norbeau	.25	.30
Norlake	.01	.02
Norwin	.03	.06
Northland (1940)	.10½	.12
Oklend	.08	.09½
O'Leary	.01¾	.02½
Opemiska	.03	.05
Oriole	.00½	.01
Orpit	.03½	.04
Ossian	.00½	.01
Pascalis	.32	.35
Pontiac R (Old)	.07	.09

	Bid	Ask
Pelangio	.02	.03
Phoenix	.03½	.05
Polaris	.11	.13
Propri'y	2.75	2.85
Presdor	.05½	.06
Queb Man	.05½	.07
Rahn Lke	.01	.02
Rand Mal	.08	.10
Red Lake	.01½	.02
Sachigo	2.75	[illegible]
Senore	.13	.16
Shenango	.01½	.02
Sheldon	.05	.06
Siscoe Ex	.01½	.02
Skynner	.05	.06
Smelters G	.01½	.02
Spooner	..	.03
Sunbeam	.03	.05
Springer	.20	.21
Stadacona	.08	.09
Thomson	.18	.20
Thomp Cd	.03½	.04
Treaty P	.11	.13
Union Min	.04½	.05
Wasu	.04	.05
West Red	.04	.06
Woco	.03	.04
Y David'n	.23½	.25

Montreal, January 13, 1941

	Bid	Ask		Bid	Ask		Bid	Ask		Bid	Ask
Cad Exp	.01	.03	Cournor	.19	.23	Obalski	.01½	.02	Scott Ch	.02	.03
Chibmac	..	.02	Dubisson	.15	.17	Pan Can	.05	.07	Westwd C	.03½	.04
C. Pand'ra	.01½	.03	L Rowan	.04½	.05½						

Supplementary Bond and Stock Quotations

Furnished by Plaxton, Cherry & Co., Toronto

Jan. 14, 1941

Miscellaneous Bonds:	Int. Rate %	Due	Bid Jan. 14	Asked Jan. 14	Bid Jan. 7
Acadia Sugar	6	'54	98½	100½	98
†Alg. Cen. HBR	5	'59	6½	7½	6½
†B. C. Pulp	7	'50	117½	..	115½
Can. Electric	4½	'65	96	98	96½
†Can Locomotive	6	'53	90	93	89
†Can. Vickers	6	'47	58½	61½	57½
Col. Steamship	6	'54	96	99	95½
Dom. Scott. Inv.	4	'52	93¾	95¾	94
Dom. Woollens	6	'53	95	97	95½
†Dufferin Pav.	5	'55	48¾	51¾	48½
East. Dairies	6	'49	81¾	84¾	82½
Galt Brass	3	'50	77½	..	77
Gt. Lakes Pwr.	5	'37	95½	97½	96
*Gurney Fdry.	5½	'49	67½	70½	68½
Ham. By-Prod.	6	'56	99½	101½	99
Ham. Cotton	4½	'50	100½	103½	100½
Indust. Accept.	4	'52	85¾	87¾	86
Inv. Bond & Sh.	5	'47	51½	53½	51¾
*Kingston Elev.	6	'50	104¾	106¾	105½
L. St. John P&P	5	'61	67¾	69¾	67½
Legare	6	'61	86	88½	85½
L. St. Law. Pwr	5	'55	98½	100½	98½
McCormicks	4½	'52	103	104½	103
Man. Sugar	5	'60	97½	99½	98
Moirs Ltd.	6	'53	78½	..	79
†Mtrl. Drydocks	5	'48	40	43	41
*M. & O. New (when iss.)	..	..	78	80	77½
†Munic. Bankers	.	.	9½	10½	9½
Price Bros.	4	'57	83½	86½	84
E. L. Ruddy	6½	'48	101½	104½	101
Silv. Dairies	6	'66	95½	97½	95½
Stand. Lime	6	'44	97	99	97½
Sterling Coal	6	'45	96¾	99¾	96½
Stop & Shop	3	'47	61	63	61
St. Maurice Pr.	4½	'70	101	103	101½
Twin C. Rap. Tr.	5½	'52	67	69	67½
United Corp.	5	'53	91½	93½	91¾
†Wpg. Elec., B	4-5	'65	49½	51½	50

Miscellaneous Stocks:	Bid Jan. 14 $	Asked Jan. 14 $	Bid Jan. 7 $
Adirondack F.&Stl c	10⅛	....	10.00
Blue Top Brew., B	6.00	6.75	6.00
Brown Co., com.	1.10	1.30	1.00
Can. Tube & Steel c	4.00	5.50	3⅝
Can. West. Lumber	.30	.65	.40
Cap. Wirecloth, c.	5.50	8.50	6.00
Do., pref.	18.50	21.00	18.25
Collingw'd. Term. un	.85	1.25	.90
Corp. Inv., A	5.85	6.35	5.80
Corru. Paperbox. c	.60	1.00	.65
Dover Ind.	7.50	8.25	7.50
East. Bake., pref.	29.00	33.00	30.50
East. Steel Prods., p.	20.00	21.50	20.00
Hart Battery, com.	6.00	7.25	6.25
Imperial Varnish, c.	8.00	10.50	8.00
Ind. Accept., pref.	81.50	85.00	81.00
Inv. Found. units	42.50	44.50	42.00
Loew's London, p.	2.75	3.25	2.75
Mid. Loan & Sav.	13.50	15.00	14.00
Moirs, 6% pref.	19.00	22.00	19.50
Mt. Royal, new c.	2.25	3.00	2.25
Do., old pref.	4.00	5.00	3.75
Murphy Paint units	99.25	100.50	99.00
Do., 5½% pref.	90.50	95.00	91.00
N. Amer. Elev., p.	51.50	....	52.00
Premier Trust	62.00	66.00	63.00
Prov. Bank	103.00	104.00	102.50
Traders Fin. rts.	14.00	16.00	14.25
Trusts & Guar., old	25.25	26.50	25.50
Waterloo Mfg., new	1.15	1.65	1.10
Waterloo Trust	100.50	102.00	100.00
West Can. Hydro, p.	11.00	12.25	11.25

*Payable U. S. and Can. funds. °Payable U. S. funds only. †Traded without accrued interest.

Municipal Bonds

Jan. 14, 1941

†Halifax	5	1961	111.00	115.00	3.93
Hamilton	5	1950	112.00	114.00	3.25
Montreal	5	1945	97.00	100.00	5.00
Ottawa	4½	1943	107.00	108.50	2.50
†Quebec	5	1959	106.00	110.00	4.21
Saint John	5	1950	102.00	105.00	[illegible]
†Toronto	4½	[illegible]	112.00	[illegible]	[illegible]
†Vancouver	5	1950	99.00	102.00	4.72
Winnipeg	5	1944	101.00	104.00	3.65

†Payable Can. and N.Y.

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

Jan. 14, 1941

Public Utility Issues:	Int. Rate %	Due	Bid Jan. 14	Asked Jan. 14	Bid Jan. 7
†Assoc. Tel. & T.	5½	'55	74½	77½	71
B. C. Power	4½	'60	99½	102½	98½
B. C. Tel.	4½	'61	106½	...	106½
†Calgary Pwr.	5	'60	106	...	106
Do.	5	'64	102	...	102
†Can. Nor. Pwr.	5	'53	104	107	104
*Dom. Gas & El.	6½	'45	102½	105½	102
Gatineau Pwr.	5	'49	102	105	102
*Do., A	3¾	'69	98	101	97½
Gt. Lakes Pwr.	4½	'56	99½	102½	98
*Int. Hydro-E.	6	'44	66	69	66½
▲Inter. Power	6	'55	100½	...	100½
Macl'n-Que. Pr.	4	'59	98	101	97½
Mtl. L. H. & P.	3½	'56	101½	104½	101½
Do.	3½	'73	99½	102½	99½
†Mtl. Tramways.	5	'41	93	96	93
†Do.	5	'55	65½	68½	64
Nat. Lt. & Pwr.	6	'49	99½	...	99
N. S. Lt. Pr.	4	'57	100½	103½	101
Ottawa H. & P.	4	'57	101½	104½	101
Ottawa V. Pwr.	5	'59	102	105	102
†Power Corp.	4½	'59	96½	99½	96½
Quebec Pwr.	4	'62	101	104	100½
*Saguenay P., A.	4½	'66	109	...	109
♦Do., B.	4½	'66	106	...	106
Shaw. W. & P.	4	'61	101½	104½	101½
Union Gas	4½	'50	102	...	102
†United Sec.	5½	'52	60	63	60
Wpg. El., ser. A	4	'65	71	74	70
Industrial and Realty Issues:					
†Abitibi P. & P.	5	'53	69	72	68½
Acadia Sugar	4½	'55	101	...	101
†Alta. Pa. Grain	6	'46	98	101	98
Atlantic Sugar	4	'51	100	103	99½
†B. C. P. & Pap.	6	'50	90	93	89
*Brown Co.	5½	'46	49½	52½	48½
Burns & Co.	5	'58	56	59	56½
Canada Bread	6	'41	100½	103½	100½
Canada Cement	4½	'51	103½	106½	103½
Can. Paper	4½	'52	100½	...	100½
Can. Steamship	5	'57	97	100	97
Can. Canners	4	'51	100½	103½	100½
*Can. Int. Paper	6	'49	101½	104½	101½
C. P. R.	3½	'51	88½	91½	88½
Do.	4	'49	93	96	93
Do.	4½	'44	98	101	98
Do.	6	'42	103	106	103
†Consol. Paper	5½	'61	67½	70½	68½
Dom. Coal	4½	'52	100½	...	100½
Dom. Stl. & Co.	6½	'55	108	111	108
Dom. Tar	4½	'51	101	104	100½
†Donnacona P.	4½	'56	75	78	75
Famous Players	4½	'51	100½	103½	100
†Federal Grain	6	'49	98	101	98
†Fraser Cos.	6	'50	98½	101½	98½
Gen. Stl. Wares	4½	'52	98½	101½	98
*Great L. Paper	5	'55	93	96	93
†Gypsum, Lime	5½	'48	98	101	98½
Ham. By-Pr. C.	5	'55	102	105	101½
Inter-City Bak.	5½	'48	100½	...	100½
*Inter. P., Nfld.	4½	'68	91½	94½	90
Lake St. J. P.	5½	'61	90½	93½	90½
Maple Leaf M.	3	'58	74	77	74
Massey-Harris	4½	'54	93½	96½	93½
McColl-Fron.	4½	'49	101	104	100½
McCormick's	4	'52	96½	99½	96½
Mercury Mills	5	'59	91	94	91½
*M. & O. Paper	6	'45	55	58	52½
Nat. Grocers	4	'47	100½	...	100½
N. S. Stl. & Co.	3½	'63	85	88	84½
Price Bros.	5	'57	96	99	96½
*Prov. Paper	5½	'47	105	...	105
Reliance Grain	4½	'52	94	97	94
†Restigouche Co.	6	'48	98½	101½	98
Rolland Paper	4½	'51	102	105	102
Simpsons Ltd.	4½	'51	100½	103½	100½
Smith, Howard	4½	'51	103½	106½	103½
*United Gas	5½	'48	104	...	104
United Gr. Grs.	5	'48	97½	100½	97
†Western Grain	6	'49	49	52	49

*Payable in Can. or U. S.
†Payable in Can., U. S. or U. K.
▲Payable in Can. or U. K.
°Payable in U. S. only.
♦Payable in Canada only.

Investment Trusts

	Bid	Asked
Affiliated Fund	2.73	2.99
Can. Amer. Trust	3.15	3.65
Grouped Income	...	3.35
Trans-Canada	10.45	11.45

Annual Meetings

Jan. 21—Burry Biscuit† ... Elizabeth, N.J.
Jan. 21—Silverwood Dairies* ... London
Jan. 22—Continental Life Ins.‡ .. Toronto
Jan. 23—Dom. Oilcloth & Linol. . Montreal
Jan. 23—Excelsior Life Ins. .... Toronto
Jan. 23—London Life Ins. .... London
Jan. 24—For. Power Securities .. Montreal
Jan. 30—Dominion Bridge ..... Montreal
Feb. 4—Canadian Transit ..... Detroit
Feb. 11—Sun Life Assurance .... Montreal
†Only shareholders of record Dec. 23, 1940, entitled to vote.
*Special. ‡Special and annual.

Dividends Declared

	This payment	Date payable	Date of record
Ault & Wiborg, p.	$1.37½	Feb. 1	Jan. 15
Ang. Can. Telc., p.	.68¾c	Feb. 1	Jan. 15
Agnew Surpass, c.	40c	Mar. 1	Feb. 15
Do., pref.	$1.75	Apr. 1	Mar. 15
Bank of Toronto	$2.50	Mar. 1	Feb. 15
Beatty Bros., 1st p.	$1.50	Feb. 1	Jan. 15
B. C. Telep. 2nd p.	$1.50	Feb. 1	Jan. 17
Can. Bronze	37½c	Feb. 1	Jan. 20
Do., interim	50c	Feb. 1	Jan. 20
Do., pref.	$1.25	Feb. 1	Jan. 20
Can. & For. Secs.	6c	Feb. 1	Jan. 16
Can. Converters	50c	Jan. 31	Jan. 10
Can. Cel., Inc Fd. rts.	$1	Mar. 15	Dec. 31
Can. Pac. Rly., pref.	2%	Feb. 1	Jan. 1
Calgary Power, p.	$1.50	Feb. 1	Jan. 15
Can. Nor. Power	•25c	Jan. 25	Dec. 31
Can. South. Rly.	$1.50	Feb. 1	Dec. 27
Can. Bk. of Com.	$2	Feb. 1	Dec. 31
Coniagas Mines	12½c	Feb. 1	Jan. 20
Coast Brew.	3c	Feb. 1	Jan. 15
Can. Inv. Fund	4c	Feb. 1	Jan. 15
Can. Investors	10c	Feb. 1	Jan. 18
Canadian Oil, c.	12½c	Feb. 15	Feb. 1
Do. extra	12½c	Feb. 15	Feb. 1
Can. Silk Prod.	37½c	Jan. 2	Dec. 14
Distillers Seag., pf.	†$1.25	Feb. 1	Jan. 17
Dom. Oilcloth	30c	Jan. 31	Jan. 15
Do., extra	10c	Jan. 31	Jan. 15
Dom. Tar & Ch. p	$1.37½	Feb. 1	Jan. 16
Dominion Bank	$2.50	Feb. 1	Jan. 20
Dome Mines	•50c	Jan. 20	Dec. 31
Eastern Steel, c.	$1	Feb. 1	Jan. 15
Federated Pete.	1c	Feb. 20	Feb. 8
Frontier Rylts.	1c	Jan. 31	Jan. 20
Foundation Co.	25c	Jan. 18	Dec. 31
Farmers' Tele.	63c	Jan. 31	Dec. 31
Guard. Realty, pf.	•50c	Jan. 15	Dec. 31
Hollinger Cons.	5c	Jan. 28	Jan. 14
Humberstone Shoe	25c	Feb. 1	Jan. 15
Hyd. Elec. Sec., B p.	25c	Feb. 1	Jan. 15
Inter. Nickel, pf.	†$1.75	Feb. 1	Jan. 2
Imperial Bank	$2.50	Feb. 1	Dec. 31
Inter. Metal, pf.	$1.50	Feb. 1	Jan. 15
Do., pref., A	$1.50	Feb. 1	Jan. 15
Inter. Util., pf.	†87½c	Feb. 1	Jan. 20
Koot. Belle	2c	Jan. 22	Jan. 10
Mtl. L. H & Pr.	38c	Jan. 31	Dec. 31
Naybob Gold	1c	Apr. 15	Apr. 1
Nor. Ont. Pwr.	12c	Jan. 25	Dec. 31
Do., pref.	$1.50	Jan. 25	Dec. 31
O. Silknit, inc. rts.	$1	Jan. 15	Dec. 31
Penmans	75c	Feb. 15	Feb. 5
Do., pref.	$1.50	Feb. 1	Jan. 21
Power Corp.	15c	Feb. 1	Dec. 31
Prairie Rylts.	1c	Jan. 31	Jan. 20
Rolland Paper	15c	Feb. 15	Feb. 5
Do., pref.	$1.50	Mar. 1	Feb. 15
Quebec Power	25c	Feb. 25	Jan. 25
Royal Bank	$2	Mar. 1	Jan. 31
Saguenay Pr., p.	$1.37½	Feb. 1	Jan. 24
South. Can. Pr.	20c	Feb. 15	Jan. 31
Silbak Premier	4c	Jan. 25	Jan. 3
Shawinigan W.	23c	Feb. 25	Jan. 25
Stand. Chemical	50c	Jan. 31	Dec. 31
Steel of Can.	43¾c	Feb. 1	Jan. 7
Do., extra	$2	Feb. 1	Jan. 7
Do., pref.	43¾c	Feb. 1	Jan. 7
St. Law. Flour	25c	Feb. 1	Jan. 20
Do., pref.	$1.75	Feb. 1	Jan. 20
Toburn Gold	3c	Feb. 22	Jan. 22
Do., extra	2c	Feb. 22	Jan. 22
United Corp., A	38c	Feb. 15	Jan. 31
Walker-Good.	$1	Mar. 15	Feb. 14
Do., pref.	25c	Mar. 15	Feb. 14
Weston, Geo., pf.	$1.25	Feb. 1	Jan. 15
Wood, A. & J., p.	$1.75	Feb. 1	Jan. 14
Wr.-Harg., interim	11.1c	Jan. 20	Dec. 2
Zellers, pref.	.37½	Feb. 1	Jan. 15

†Payable in U. S. funds.
•Subject to approval by Foreign Exchange Control Board.
‡Subject to approval by Securities and Exchange Commission.

Mining Dividends

	Rate	Close Jan. 13	Yield %
Anglo-Huronian	‡10c	2.65	..
Beattie Gold	16c+2c	1.20	*15
Bralorne	80c+40c	10.37	*11.6
Broulan Porc.	‡6c	1.07	..
Buffalo Ankerite	‡31c	5.60	..
Bulolo Gold	$3	18.00	16.6
Can. Malartic	8c	.50	..
Cariboo Gold	16c+8c	2.55	*9.4
Central Patricia	16c+7c	1.90	*12.1
Chesterville	†5c	1.68	..
Cochenour Willans	†3c	.98	..
Coniagas	‡25c	1.55	..
Coniaurum	16c+2c	1.55	*11.6
Cons. Smelters	$1+$1.25	39.00	*5.8
Delnite	‡6c	1.23	4.9
Dome Mines	$2	24.25	8.2
East Malartic	‡30c	2.82	10.6
Francoeur Gold	†3c	.50½	..
God's Lake	‡2½c	.37	..
Goldale	‡2c	.16	..
Gold Belt	‡4c	.32	..
Gunnar Gold	‡6c	.36½	..
Hallnor	60c	5.25	11.4
Hard Rock	‡10c	1.07	..
Hedley Mascot	‡8c	.60	..
Hollinger	65c+45c	13.12	*8.3
Howey Gold	‡5c	.29¼	..
Hudson Bay	‡$2	26.50	7.5
Inter. Nickel, com.	$2	36.50	5.5
Island Mountain	‡15c	.80	..
Kerr Addison	‡15c	3.80	..
Kerr Lake	‡10c	.20	..
Kirkland Lake	10c+2c	1.03	*11.6
Kootenay Belle	‡12c	.24	..
Lamaque Gold	40c+10c	5.00	*10
Lake Shore	$2	19.75	10.1
Leitch	8c	.57	14.0
Little Long Lac	30c	2.03	14.7
Macassa	32c+3c	4.15	*8.4
Madsen R. Lake	‡6c	.60	..
McGillivray Coal	3c+1c	.25	..
McKenzie Red L.	♦12c	1.30	9.2
McWatters	10c	.23	..
Moneta	12c	.53½	..
McIntyre Porc.	$2.05½+1•	50.25	*5.9
MacLeod-Cockshutt	‡20c	2.25	..
Naybob Gold	4c	.30½	13.1
Nipissing	15c	1.16	..
Noranda	$4	57.00	7
North Empire	‡50c	6.25	..
O'Brien Gold	‡10c	1.10	..
Pamour Porc.	12c	1.56	7.7
Pato Cons.	20c	2.65	..
Paymaster	‡1c	.26½	..
Perron Gold	16c+4c	1.69	*11.8
Pioneer, B.C.	40c	2.20	18.1
Pickle Crow	40c	2.93	13.6
Placer Develop.	$1.20	9.25	13
Premier	12c	.90	13.3
Preston E. Dome	20c+5c	3.30	*7.6
Privateer Mine	‡16c+2c	.61	..
Powell Rouyn	‡10c	1.00	..
Quebec Gold	‡2c	.28	..
Relief Arlington	‡5c	.03	..
San Antonio	14c+6c	2.60	*7.7
Sheep Creek	16c+3c	.88	*21.6
Sherritt Gordon	‡10c	.85	..
Sigma Mines	‡45c	8.75	..
Silbak Premier	16c	.75	22.6
Siscoe	‡11½c	.54	..
Sturgeon River	‡2c	.19	..
Sudbury Basin	‡2½c	1.60	..
Sullivan Cons.	‡2c	.62	..
Surf Inlet	‡1½c	.11½	..
Sylvanite Gold	20c+10c	2.85	*10.5
Teck-Hughes	40c+5c	3.60	*12.5
Toburn	8c+12c	1.61	*12.3
Upper Canada	‡8c	2.14	..
Ventures	15c	4.10	..
Waite Amulet	‡10c	4.15	..
Wendigo	†3c	.24	..
Wright-Harg.	‡40c+30c	7.00	*10

*Yield including bonus. †Initial.
‡Paid in 1940.
•An extra dividend of $1.11 declared paid Jan. 2, 1941.
♦Plus 1 sh. McMarmac Red Lake Gold Mines for each 5 shs. McKenzie held.

DIVIDEND NOTICES

The Canadian Bank of Commerce

Dividend No. 216

Notice is hereby given that a dividend of two per cent in Canadian funds on the paid-up capital stock of this Bank has been declared for the quarter ending 31st January, 1941, and that the same will be payable at the Bank and its Branches on and after Saturday, 1st February next, to shareholders of record at the close of business on the 31st December, 1940. The Transfer Books will not be closed.

By Order of the Board,
A. E. ARSCOTT,
General Manager.
Toronto, 13th December, 1940.

The Dominion Bank

Dividend No. 233

Notice is hereby given that a dividend of two and one-half per cent upon the paid up Capital Stock of this Institution has been declared for the quarter ending 31st January, 1941. The dividend will be payable at the Head Office of the Bank and its Branches on and after Saturday, the 1st day of February, 1941, to shareholders of record of the 20th January, 1941.

By Order of the Board.
ROBERT RAE,
General Manager.
Toronto, 12th December, 1940.

Company Reports

Canadian Car

Canadian Car and Foundry Co. reports an operating profit of $1,443,949 in the year ended Sept. 30, 1940. This compares with a loss of $50,799 the year before. After taking into consideration other income and expenses, including income and excess profits taxes, net profit available on the preferred amounted to $1.69 a share, as against a deficit of $1.79 a share the year before.

No dividends were paid during the year. As a result net working capital position was improved from $1,490,287 to $2,353,984. Several changes are noted in the consolidated balance sheet. Inventories are up over $1 million to $4.6 millions. Accounts receivable jumped from $1 million to $3.5 millions.

These changes are reflected in part in an increase in secured bank loans from $2,280,000 to $3,083,000. The balance owing on stock subscribed in Canadian Associated Aircraft has been paid off. Accounts payable increased from $827,179 to $2,766,173.

In his report to the shareholders, Victor M. Drury, president, said: "A very substantial volume of business, arising from war requirements, has now been received by your company (too late for reflection in the earnings of the past year) and, in all of these contracts, our Government has rightly limited war profits to a small percentage of the turnover. Future returns to shareholders will also be limited by the new Government taxes."

Comparative figures on the consolidated income and surplus accounts follow:

Cons. Income and Surplus Account Years Ended Sept. 30	1940 $	1939 $
Operating profit	1,443,949	*50,799
Less: Directors' fees	8,836	8,724
Exec. salaries	86,783	81,300
Legal expenses	6,836	4,360
Net operating profit	1,341,494	*145,183
Add: Other income	61,309	37,437
Total income	1,402,803	*107,746
Less: Depreciation	660,223	397,089
Income & E. P. T.	265,000	nil
Net profit	477,580	*504,815
Less: Pref. divd.	......	249,141
Surplus for year	447,580	*753,956
Add: Prev. surplus	2,788,321	3,542,277
Surplus forward	3,265,901	2,788,321
Earned per Share:		
Preferred: Earned	$1.69	d$1.79
Paid	nil	0.88

*Loss or deficit.

Working Capital	1940	1939
Current assets	8,679,668	4,807,711
Current liabilities	6,325,684	3,317,424
Working capital	2,353,984	1,490,287

Foreign Power

Foreign Power Securities Corp.'s financial statement for the year ended Oct. 31, 1940, shows a gross revenue of approximately $75,000 or almost $25,000 less than the year before. Earnings were not sufficient to take care of bond interest and interest due June 1, 1940, was deferred. The company's properties are almost entirely located in France and French owned Madagascar.

During the year, the company purchased $116,500 of its bonds, which were cancelled, thus reducing the issue outstanding to $1,789,500. The balance sheet further shows the book value of holdings in French companies at $7,144,179, or practically the same as a year ago. In this connection the company reports: "No information is available in regard to either the status or the value of these securities which, at the time of the invasion of France in May, 1940, were held by the agents of the Montreal Trust Co.

Income and Surplus Account Years Ended Oct. 31	1940 $	1939 $
Gross income	75,282	96,080
Less: Bond interest	114,724	118,298
Directors' fees	1,500	1,360
Exec. salaries	1,300	1,800
Legal fees	192	642
Expenses	14,279	15,999
Deficit	56,912	42,019
Previous surplus	238,605	746,037
Add: Disc. on bonds	73,992	39,118
Less: W/o invests.	......	504,530
Surplus forward	255,685	238,606

Detroit Tunnel

Declining traffic between Windsor and Detroit lopped some $115,000 off the net profits of Detroit & Canada Tunnel Corp. in the fiscal year ended Oct. 31, 1940. Vehicle traffic in the first eight months of the fiscal year was down only 4.81%, but in the last four months, July to October, the decline was 40.62%. Bus traffic was lower in both periods, registering drops of 9.31% and 55.29% respectively. In Dec., 1940, vehicle traffic was running 29.53% below the 1939 figure and bus traffic was down 47.8%.

No relief is anticipated from changes in Foreign Exchange Control Board regulations, George R. Cooke, president, stated, but tariffs for increases in toll rates have been filed with regulatory authorities in the United States and Canada. A hearing before the Board of Transport Commissioners for Canada, upon objections interposed at the instance of the City of Windsor, was completed Dec. 4, 1940. Arguments of counsel have been filed and final decision is now pending.

Consolidated figures for the company and its Canadian subsidiaries, the Detroit and Windsor Subway Co. and Detroit River Properties, follow:

Consol. Income and Surplus Account Years Ended Oct. 31	1940 $	1939 $
Revenues:		
Tolls	473,180	597,407
Bus. & spec. coach	213,086	281,277
Non-op. revenue	15,495	9,776
Gross revenues	701,761	888,460
Less: Oper. expense	211,001	237,418
Maint. expense	66,152	74,809
Taxes	135,850	157,963
Deprec. tunnel	127,435	128,564
Deprec. autos	22,774	22,640
Amort. land	16,947	17,024
Disct. Can. exch.	12,095	12,509
Net income	109,507	239,533
Less: Bond int.	98,939	105,019
Land contract int.	20,000	28,649
Net profit	*9,432	105,865
Less: Dividends	......	127,645
Surplus for year	*9,432	*21,780
Add: Prev. surplus	274,852	195,970
Profit on bonds red.	742	8,099
Profit on land sale	4,233	......
Tax liab. adjust.	......	115,339
Prior yr.'s inc. tax	892	......
Less: Duty on repairs	6,748	......
Prior yr. inc. tax	......	22,776
Surplus forward	264,539	274,852
*Loss or deficit.		
Earned per Share	d$0.07	$0.83
Paid	nil	1.00
Shares o/s n.p.v.	127,645	127,645
Working Capital		
Current assets	722,373	623,722
Current liabilities	39,587	52,450
Working capital	682,786	571,272

DIVIDEND NOTICES

Privateer Mine Limited

Dividend No. 9

NOTICE is hereby given that a dividend of three cents (3c) per share plus an extra of one cent (1c) per share has been declared by the Directors of Privateer Mine Limited, payable in Canadian Funds, on the 10th day of February, 1941, to shareholders of record on January 25th, 1941.

By Order of the Board.
W. S. LANE, Secretary.
Vancouver, B.C.,
January 13, 1941.

Penmans Limited

Dividend Notice

NOTICE is hereby given that the following Dividends have been declared for the quarter ending the 31st day of January, 1941.

On the Preferred Stock, one and one-half per cent (1½%), payable on the 1st day of February to Shareholders of record of the 21st day of January, 1941.

On the Common Stock, seventy-five cents (75c) per share, payable on the 15th day of February to Shareholders of record of the 5th day of February, 1941.

By Order of the Board.
C. B. ROBINSON,
Secretary-Treasurer.
Montreal,
January 6, 1941.

Hiram Walker

Net profits of Hiram Walker Gooderham & Worts Ltd. for the three months ended Nov. 30, first quarter of the current company year, were equivalent to $2.01 a share on the common compared with $2.08 a share for the corresponding period of 1939. This is approximately double dividend requirements of $1 a share.

Slightly lower net profit is entirely due to higher income and excess profits tax provision. Actually the company reported an increase in operating profit of $380,000 but tax provision rose $504,000, more than accounting for the decline in net.

Consol. Profit and Loss Three Months Ended Nov. 30	1940 $	1939 $
Operating profit	3,012,219	2,552,534
Add: Other income	39,391	119,178
Net earnings	3,051,610	2,671,712
Less: Depreciation	206,248	202,944
Debenture int.	129,518	129,666
Bank interest	9,064	23,492
Income & E. P. tax.	1,111,460	667,145
Net profit	1,595,320	1,648,464

National Life

Total cash receipts of the National Life Assurance Co. in 1940 at $2.3 millions were above the previous year. Premium income was slightly lower, but investment income and other funds were higher.

Out of these receipts the company paid almost $1 million to beneficiaries, annuitants and policyholders. Total payments to policyholders were slightly higher than in the previous year. Policyholders' reserves were increased by over $500,000. Net earnings were lower.

The company during the year reduced its holdings of municipal bonds. Investments in provincial and corporation bonds and mortgages were higher. The rate of interest earned on investments was unchanged at 4.35%.

Insurance in force declined slightly, the decrease being in group insurance. Ordinary insurance in force is stated to be the highest in the company's history. New insurance effected, the president stated, was slightly below 1939.

Years Ended Dec. 31	1940 $	1939 $
Business in force	62,118,870	62,360,111
Total receipts	2,301,647	2,252,573
Net prem. inc.	1,534,212	1,571,876
Int., divds., etc.	656,303	599,602
Other funds	111,130	81,094
Policy payments	1,111,751	1,086,890
Death claims	347,105	343,482
Matured policies	640,320	615,555
Dividends	124,325	127,853
Policy reserves	12,325,357	11,844,180
Earnings	50,923	93,716
Assets	13,444,345	13,026,737
Bond	8,583,153	8,553,195
Stocks	1,081,643	1,191,630
Mortgages	883,073	542,139
Policy loans	1,754,069	1,765,182
Surplus	327,494	327,494
Int. earned, %	4.35	4.35

National Trust

Net profits of National Trust Co. for the year ended Dec. 31, 1940, showed an increase of $59,953 over 1939 before deduction of income taxes, but after providing for taxes of $177,821 in 1940 against $93,688 in the previous year, the net available for dividends showed a drop of $24,179. Despite increased taxes, earnings per share of $8.24 remained above the $8 dividend rate.

Decline of some $1.7 million in liabilities to the public reflected increased investments by depositors in Government war loans and savings certificates. Liquidity was slightly higher at 74.21% as compared with 73.38% for 1939.

	Paid-up Capital & reserves $	Net profit* $	Div. rate $	Rate earned per sh. $
1936	6,000,000	258,465	8	8.62
1937	†4,750,000	260,362	8	8.68
1938	4,750,000	268,479	8	8.95
1939	4,750,000	271,453	8	9.05
1940	4,750,000	247,274	8	8.24

†After transferring $1,250,000 to contingency reserve. *After cost of management, directors' and auditors' fees, contingencies, etc., and provision for taxes.

Liabilities to the Public As at Dec. 31	1940 $	1939 $
Trust certificates	2,122,411	2,244,322
Trust deposits	20,466,548	22,016,729
Total	22,588,959	24,261,051
Secured by assets:		
Liquid assets	13,683,476	14,717,433
Mortgages	8,905,482	9,543,618
Net capital acct. assets*	5,235,405	5,228,131
Total	27,824,364	29,489,182
Estates, etc.	274,939,287	275,959,898

*After deducting reserve for employees' benefits of $50,000.

Imperial Life

New insurance written by the Imperial Life Assurance Co. in 1940 was about $2 millions lower than in 1939, according to the company's annual report. Insurance in force, however, was about $3 millions higher.

Total income showed a small increase while payments to policyholders were down. There was an increase in death and disability claims while payments under matured endowments and cash surrenders were lower.

An increase in total assets occurred mainly in bonds and debentures. Holdings of mortgages and policy loans were lower. The rate of interest earned on invested assets was slightly below that of 1939.

Chief Items of the Report Years Ended Dec. 31	1940 $	1939 $
New ins. pd. for*	22,760,877	24,733,728
Business in force*	302,773,699	296,597,666
Total receipts	16,278,206	16,244,991
Prem. income	10,401,679	10,299,446
Int. rents, etc.	3,785,742	3,734,110
Other funds	2,090,783	1,957,663
Policy payments	7,898,415	8,775,306
Death & dis.	2,613,400	2,445,049
Matured endows.	1,255,519	1,661,909
Cash surrenders	2,490,159	3,176,201
Dividends	1,354,762	1,308,166
To annuitants	182,572	183,980
Total assets	96,177,798	91,815,796
Bonds & debs.	60,830,609	56,094,521
Stocks	4,758,021	4,449,852
Mortgages	9,895,878	10,787,866
Policy loans	11,474,985	11,941,112
Policy reserves	75,438,078	72,390,071
Surplus earned	1,722,494	1,932,514
Surplus funds	7,076,472	6,174,864
Int. earned	4.25	4.34

*Including retirement annuities.

Mutual of Canada

A small increase in new insurance paid for, a gain of $13.9 millions in business in force, higher assets and total income are features of the preliminary report of the Mutual Life Assurance Co. of Canada for 1940.

Premium income and consideration received for annuities during the year were slightly lower but this was offset by gains in investment income including interest dividends, etc. Policy proceeds left with the company were also higher than in the previous year.

Policy payments were higher. A decrease occurred in matured endowments and surrendered policies. Death and disability claims were slightly higher.

Earned surplus for the year was down about $160,000 but special reserves and total surplus were about $600,000 higher.

Important items in the profit and loss and general statement follow:

	1940 $	1939 $
New business	45,615,065	45,527,051
Business in force	586,019,392	572,110,531
Total income	31,078,291	30,779,977
Prem. inc.	16,993,104	17,027,641
Annuity cons.	1,000,864	1,138,491
Int., divs., etc.	8,420,368	8,120,716
Pol. proceeds left with co.	4,027,907	3,981,327
Policy payments	14,690,556	15,130,000
Death & dis.	4,443,110	3,819,644
Matured endows. & surrenders	6,940,517	7,524,452
Policy proceeds, divds., etc.	2,818,168	2,530,104
Surplus earned	4,603,568	4,765,187
Surp. carried fwd.	9,458,460	8,817,498
Assets	196,605,418	187,636,589

Dominion Oilcloth

Dominion Oilcloth and Linoleum Co.'s financial statement for the fiscal year ended Oct. 31, 1940, showed net profit of $1,129,822. This was after provision of $397,151 for income and excess profits taxes and all other charges, which left a balance equal to $1.61 a share on the common shares, before taking into consideration the participating dividend feature. This compares with net profit of $1,224,876 for the previous year, or $1.75 a common share.

The balance sheet shows net working capital of $2,223,372, compared with $1,647,837 at the end of the previous year. Cash on hand at the end of last October totalled $673,803, as against $290,224 in cash and $100,000 at the end of the previous year. Inventories increased during the past year from $1,022,132 to $1,512,573.

In his report to the shareholders J. J. McGill, president, states no curtailment on production has yet occurred and adequate consignments from abroad for the company's requirements are still continuing to arrive. Tariff reduction on imports of British oilcloth and linoleum should not materially affect the company's sales during the war period, he added.

Flour Output Shows Decline

1940 Production Expected to be Lower Than in 1939

From Our Own Correspondent

MONTREAL. — Canadian flour production in November showed a drop from October and November, 1939. Output in the month totalled 1.6 million bbls., compared with 1.9 million bbls. in October and 2 million bbls. in the same month last year. Assuming that December production will be the same or less than in the same month last year, 1940 production will be slightly under the figure for 1939.

In the 11 months ended Nov. 30, flour production totalled 15.2 million bbls., a decrease of 48,648 bbls. from the same period in 1939.

November Exports Gain

Flour exports in November totalled 682,718 bbls., against 750,193 in October and 572,810 bbls. in November, 1939. Exports in the 11 months ended Nov. 30 aggregated 6.6 millions bbls., which compares with 5.3 million bbls. in the whole of 1939.

Prices Continue To Move Upward

Gains Are Small in Most Instances—Hides Are in Demand

Although gains have been small, commodity prices have continued to strengthen.

In the agricultural group, cattle and wheat were higher while hogs were lower.

Demand from the United States for beef cattle was strong. With consumption of beef in Canada and the United States brisk, prices are expected at least to be steady.

The fractional advance in wheat was probably a reflection of improved domestic demand for flour on United States markets which had its effect on Canadian sentiment. There is no real relief to the burdensome supply situation in wheat.

Active demand from tanners for hides was reported. The hides coming on the market at present are stated to be of indifferent quality but tanners evidently are anxious to protect themselves against any advance in quotations. Fear of war prices appears to be a factor.

Lower rubber markets resulted from lower war risk marine insurance rates in some parts of the East.

	Latest week	Previous week	Same week last yr.
Cattle	$9.60	$9.25	$7.75
Hogs	10.90	11.00	12.15
Copper, lb.	.12	.12	.12½
Cotton, lb.	.1059	.1061	.1135
Rubber, lb.	.2020	.2062	.1912
Silk, lb.	2.56	2.56	3.79
Sugar, raw, lb.	.0295	.0290	.0285
Wheat, Man. (bu.)	.74⅛	.74¼	.82
Coffee, lb.	.05¼	.05¼	.05⅝
Hides	.13½	.13	.15
Weekly Indices			
Canada (D.B.S.)	84.3	84.2	82.3
Do., Wood, Gundy	67.4	67.6	68.6
U. S. Labor	80.2	79.9	79.5
Dow Jones (future)	57.54	57.19	60.55
Fishers'	85.8	85.4	79.7
Monthly Indices			
Canada (D.B.S.):			
Retail (Dec.)*	108.0	107.8	103.8
W'sale (Nov.)	84.0	83.3	80.4
U. S. (Sept.)	78.0	77.4	79.1
Gt. Brit. (June)	134.6	133.7	98.1

Note: The base of indices is that 1926 equals 100. The British index is Board of Trade converted to 1930 base. *Base 1935-39=100.

Base of price quotations is as follows: Cattle — Steers, good, over 1,050 lb., top price, Toronto. Copper-electrolytic, New York. Silk—Crack db., 13-15 New York. Sugar — 96 degrees centrifugal c/f New York. Wheat—No. 1 Man. North., Ft. W.-Pt. A. basis. Hides—No. 1 packer light

Week in Wheat

Visible Growth Checked But More Wheat Coming

Bigger Export and Increased Domestic Use Reduce Grain in Storage But Total Nears Half Billion Bushels

From Our Own Correspondent

WINNIPEG.—Canadian visible wheat supply was checked in its growth short of 500 million bushels last week. This was due to fairly large export shipments combined with withdrawals by Canadian mills for domestic use. But the visible figures are expected to increase steadily with further deliveries of farmers' wheat to country elevators until available room is exhausted.

One of the interesting features of the present market is the strong demand which continues for low grade wheat. Although movement of practically all wheat, except damp grain requiring treatment, is still embargoed, shipment of low grade wheat is being made all rail to mills in eastern Canada. Some wheat graded by American customs authorities as of feed quality, unsuitable for milling, is going into the United States on account of the demand for feed there.

Wheat Policy

Increasing discussion is taking place throughout the West in respect to government wheat policy for the coming year. The advisory committee of the Canadian Wheat Board is known to have had the subject under consideration at sessions at the beginning of the week, but no immediate official announcement is expected. Opposition in the West to any plan of controlling acreage is so definite that no recommendation for such a step is considered likely.

* * *

Expect Acreage Statement

It seems apparent that room for new crop wheat will be limited. Some formal statement as to quantities of wheat likely to be deliverable is anticipated from the Government in order that farmers may have advance warning and make any adjustment they find practicable in their operations. It is now seen that allocation of limited deliveries among farmers is likely to cause a great deal of controversy. A movement is gaining strength to load the dice in favor of the smaller farmer and against large operators. One school of thought suggests discrimination in favor of farmers who have had the most unfortunate experience in recent years. Another is urging discrimination against submarginal areas, in order that land there may more quickly be taken out of cultivation.

* * *

Conflicting Interests

On matters involving conflicting interests of different groups of western farmers it is not thought that either the Wheat Board or the advisory committee is likely to make a recommendation. Those bodies would be expected to resist a movement to make the Wheat Board the machinery for exercising pressure on different areas or different groups of farmers. The idea is gaining increasing strength that the Wheat Board initial price should be increased next year in order to compensate farmers for the limitation on their deliveries which will be forced by physical conditions. Some westerners are beginning to wonder if the increasing complaints which the Ontario farmers are voicing against conditions there may not make it more difficult to obtain a sympathetic hearing for such requests.

Wheat Prices

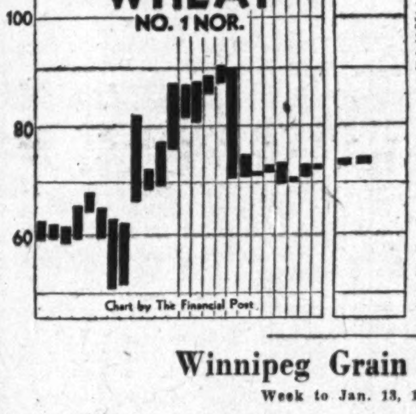

Chart by The Financial Post

Cash Quotations

	For Week Jan. 13 High	For Week Jan. 13 Low	Prev. Week High	Prev. Week Low
Wheat:				
1 hard	.74½	.73⅞	.74¼	.73¼
1 Nor.	.74½	.73⅞	.74¼	.73⅜
2 Nor.	.72¼	.71⅝	.72	.71¼
3 Nor.	.69⅛	.68½	.68⅞	.68¼
4 Nor.	.66¾	.66¼	.66⅝	.65¾
5 Wheat	.64¾	.63¾	.63⅞	.63¼
6 Wheat	.62¾	.62¼	.62⅝	.61¾
Feed	.60¼	.60¼	.60⅝	.59¾
Oats:				
2 C. W.	.33⅝	.33	.34¼	.33⅛
3 C. W.	.31⅞	.31¼	.32	.30¾
Barley:				
1 Feed	.42½	.41⅜	.42¼	.40⅞
2 Feed	.42	.40⅞	.41¾	.40⅜
Flax:				
1 C. W.	1.49¾	1.45¼	1.43⅝	1.36½
2 C. W.	1.46½	1.41¼	1.39⅝	1.32½
Rye:				
2 C. W.	.47⅛	.47	.47¾	.45⅞

Winnipeg Grain Futures

Week to Jan. 13, 1941

Crop year from Aug. 1, 1940 High	Low		Open Jan. 7	High for week	Low for week	Close Jan. 13	Close year ago
		Wheat					
.78¼	.71⅝	May	.77⅝	.78	.77¼	.77⅝	.86
.80½	.77½	July	.79¼	.79⅝	.78⅞	.79¼	.86¾
		Oats					
.35	.26⅝	May	.34⅛	.35	.34¼	.34⅞	.39¾
.33⅝	.29½	July	.32⅞	.33⅝	.32¾	.33¼	.37⅞
.32	.31½	Oct.	.....	.32	.31½	.31⅝	.36½
		Barley					
.46⅞	.33⅝	May	.45⅛	.45¾	.44¾	.45¼	.52⅛
.44⅞	.39⅞	July	.43⅛	.43⅞	.42⅞	.43⅜	.51
		Flax					
1.54¼	1.16	May	1.47⅝	1.54¼	1.47⅝	1.50⅝	1.96
1.54½	1.20½	July	1.49⅛	1.54½	1.48¼	1.50¼	1.93
1.52¼	1.48¼	Oct.	......	1.52¼	1.48¼	1.50⅛	1.88½
		Rye					
.52	.44¼	May	.50⅜	.50⅞	.49⅞	.50⅛	.76⅞
.51⅝	.49⅛	July	.50⅝	.51	.50⅜	.50⅜	.75⅝

Sussex Manganese Mill Recommended

Establishment of a mill of 50 tons capacity at a cost of $15,000 is recommended for the property of Sussex Manganese Mining Co. by E. B. E. de Camps, the company's consulting engineer. Work on dewatering the open cut in 1940 revealed it deeper than expected but a continuation of the ore shoot with "6 ft. of massive manganese ore" was found in a southwesterly direction.

First plans had called for shipment of cobbed ore but a 50-ton mill is now recommended to supplement this programme. A crusher of 300 tons capacity has been installed at the property. Further work on the new showing is the immediate plan. An additional 160 acres of property have been acquired to protect strike.

International Paper Sells Agar Notes

From Our Own Correspondent

MONTREAL. — International Paper Co., subsidiary of International Paper and Power Co., has issued $2.9 millions of 3% secured notes as part payment for the stock of the Agar Mfg. Co., manufacturers of shipping containers. The notes mature June 30 and Dec. 31, 1941, to 1944 inclusive.

Montreal Power Loses Tax Case

Exchequer Court Dismisses Appeal Against Income Assessment

From Our Own Correspondent

MONTREAL. — Appeal of Montreal Light Heat and Power Cons. against decision of the Minister of National Revenue confirming income tax assessment on the company for the year 1936, has been dismissed with costs by the Exchequer Court.

The question involved in the appeal was whether certain expenditure by the company should be allowed as income tax deductions. The outlay was involved in refunding a portion of an outstanding bond issue, and replacing it by a new issue of bonds at a lower interest rate; and retirement of the balance of the same bond issue to effect a saving in fixed charges.

Adverse Ruling

The company sought to amortize the disbursements over the term of the new bonds. This was refused by the minister on the ground that they constituted outlays on account of capital and not expenses paid out for the purpose of earning the "income" as defined by the Act.

The bonds refunded had a par value of $27,615,000, and the retirement and refunding operations were designed to effect a saving of $275,000 a year in interest alone, and an annual saving of $303,119 due to elimination in the issue of the new bonds of the gold payment clause.

U. S. Paper Mill Activity Records Slight Gain

From Our Own Correspondent

MONTREAL.—Rate of production in the U. S. paper industry, according to The American Paper and Pulp Association Index of Paper Mill Activity, was 88% in the week ended Jan. 6, against 84.9% for the week ended Dec. 28, 1940.

Production in the U. S. paperboard industry in the week ended Jan. 4 was at 59% of capacity against 48% for the week ended Dec. 28, 1940.

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Bawlf Grain Prepares To Distribute Assets

From Our Own Correspondent

MONTREAL. — N. Bawlf Grain Co. reports that for the purpose of enabling the company to surrender its charter, directors have been authorized to distribute the company's assets among holders of the 6½% preferred shares.

Distribution will be made as soon as the necessary arrangements can be effected. Payments will be made only to preferred shareholders of record on the books of the company and upon delivery of their certificates.

The branch registers of transfers of the company in Montreal and Toronto will be kept open until the close of business on January 31. After that date transfers of shares will be registrable only in Winnipeg.

Bad Weather Hits T.C.A. But Yearly Gain Holds

From Our Own Correspondent

MONTREAL. — November traffic figures of Trans-Canada Air Lines reflected adverse weather conditions during the month, particularly in the eastern section of the system.

Passengers carried totalled 4,740, compared with 6,659 in October, a drop of 28.9%. Compared with Nov., 1939, however, there was a gain of almost 2,000 passengers carried. Mail carried in November totalled 90,575 lb., compared with 94,164 lb. in October, and 41,596 in Nov., 1939 and express 10,387 lb., against 10,249 lb. in October and 7,046 lb. in Nov., 1939.

Three new Lockheed Lodestar planes have been delivered to T.C.A. There are three more of these 263-mile an hour planes on order, which when delivered will bring the Trans-Canada fleet to 21 planes.

Rail Earnings Higher First Week in January

From Our Own Correspondent

MONTREAL.—Traffic earnings of Canadian Pacific Railway Co. in the first week of 1941, ended Jan. 7, totalled $3.1 millions, an increase of $706,000, or 29% over the same week last year.

Canadian National Railways in the same week reported gross revenue of $4.4 millions, an increase of $802,725, or 22.2% over the corresponding week of 1940.

Can. Wirebound Ahead of Normal

Addition to Plant Capacity Under Way Means Up to 50% Increase

Additions to the plant and storage capacity of Canadian Wirebound Boxes Ltd., will add up to 50% to the manufacturing capacity of the company, according to A. M. Dunn, president. Construction is expected to be complete in about three months and final decision as to division of the new space between production and storage space will not be made until then.

Business of the company is running well ahead of normal for the generally slack winter months, although the fluctuating demand typical of the industry prevents any forecast of net results for the current period which ends April 30. As the company works almost entirely on Canadian materials, it does not face any serious raw material problems.

N. BAWLF GRAIN COMPANY LIMITED

Notice to Preferred Shareholders

N. Bawlf Grain Company Limited, intends to distribute its assets amongst its preferred shareholders at an early date.

Payment will be made only to preferred shareholders of record on the books of the Company, upon surrender of their share certificates for cancellation.

Holders of unregistered transfers should present them for registration as soon as possible.

The transfer registers at Montreal and Toronto will be discontinued on January 31st, 1941. Thereafter, transfers will be registerable only at the office of The Royal Trust Company, Winnipeg.

The distribution will be made by the Winnipeg Branch of The Royal Trust Company, from whom forms of surrender of share certificates may be obtained.

R. W. MILNER,
President.

Week in Mining

Seek More Prospecting At Ottawa Conference

Meeting of Dominion and Provincial Government Officials Tries to Iron Out Prospectors' Problems — American Investors Safeguarded

Dominion and Provincial Government officials met in Ottawa last Monday at a conference to delve into the decline in prospecting and to recommend any remedial steps that may be taken to correct the existing situation. Subjects coming before the conference included foreign exchange, taxation, laws governing the sale of securities, technological services, training and guidance of prospectors, and transportation in relation to prospecting activities.

On the question of foreign exchange, officials of the Foreign Exchange Control Board said that the American investor who brings funds into Canada and recorded them with the Board could continue to obtain United States funds on disposing of any interest acquired in Canadian mines. Capital could be transferred back at the official exchange rate and capital gains could be withdrawn through the unofficial market in New York, the American investor was assured.

Record Gold Yield

Dominion gold production in October was the highest monthly total on record, a final tabulation of results reveals. Recovery of the yellow metal reached 467,441 ounces worth $17,996,478, an average daily output of 15,079 ounces worth $580,531.

The previous record month was last August when 466,223 ounces were recovered worth $17,949,585. Output in September—a shorter month—amounted to 440,450 ounces with a total value of $16,957,324.

From present indications, gold recovery last year will be very close to the $205 millions figure previously estimated. In 10 months $169,507,106 of gold was recovered. Continuation of the October rate the last two months would mean a recovery slightly in excess of $205 millions.

* * *

New Yellowknife Mill

Expansion in Yellowknife gold mining was a feature of 1940 and it appears there is to be no let up this year. Early this week an announcement was made that a 25-ton mill would be installed on the property of Giant Yellowknife Gold Mines in which B.E.A.R. holds a controlling interest. Completion of the mill is expected by August.

From present indications the company will mill the highest grade of ore of any company in Canada. Mill feed is expected to grade four ounces gold to the ton. Plans call for sinking a vertical shaft to a depth of 150 ft. to further develop the ore shoot already opened up from an inclined shaft. Funds obtained from milling are to be used to develop other properties in the area.

* * *

Bonetal Active

Feature of the unlisted market early this week was Bonetal Gold Mines which moved up from 50 to 64 cents a share. Bonetal is now sinking a shaft on its property in Porcupine adjoining east of Hallnor Mines, and northwest of Broulan Porcupine Mines which is putting up most of the money for the present exploratory effort.

Two zones were indicated by drilling before the decision to carry work underground. One zone has an indicated length of 1,150 ft. while a second zone—the continuation of the Hallnor zone—has an indicated length of 560 ft. If underground work confirms drilling results, Broulan Porcupine is expected to give consideration to treatment of Bonetal ore at its mill. Should Broulan find it desirable to step-up its mill capacity to handle Bonetal ore, both companies would probably secure lower costs—due to treatment of a greater tonnage of ore—than either company could hope to secure operating separate smaller mills.

* * *

U. S. Puts Clamps On

It is not long since Canada suspended shipments of copper to Japan. Now the United States is acting along somewhat similar lines and has placed shipments of copper, zinc and nickel under rigid export license control system beginning Feb. 3. The immediate effect of any suspension of copper shipments abroad from the United States will be to hinder Japan's war effort although that is not the primary purpose of the move.

According to Mr. Roosevelt the new step is not being taken to prevent these metals (and brass, bronze and potash) from leaking through to Germany. The step was taken because available supplies are too small to export indiscriminately. Acceleration of the national defense programme in the United States has made a greater volume of metal necessary than previously.

* * *

B. C. Near Record

Detailed figures for all metals are not being issued this year owing to wartime restrictions, but the British Columbia Government estimates that total value of B. C. mine production in 1940 was close to the record of $74,475,902 achieved in 1937.

Placer gold production was estimated at $1,709,708, the highest in 50 years. An all-time record was established in lode gold production—$23,100,000. Total gold production is the greatest in the province's history.

Dividends of B. C. mining companies are officially estimated at $12,600,000, compared with $11,865,698 a year ago.

* * *

Controller Speaks

Although Canada's Metals Controller, George C. Bateman is one of the busiest men in Canada, he still finds time to deliver speeches in various parts of Canada. This week he is speaking twice in Toronto, first to the Toronto branch of the Canadian Institute of Mining and Metallurgy on Jan. 17, the following night to the Ontario Association of Professional Engineers. Subject of Mr. Bateman's speeches has not been announced but they are expected to deal with Canada's mining industry and the war effort.

Mr. Bateman's visit to the Toronto C. I. M. M. branch will represent his first in his official capacity as president of the Dominion C. I. M. M. body. Besides being Metals Controller and president of the Institute, Mr. Bateman is secretary of the Ontario Mining Association. In this last capacity he is well known in Toronto mining circles.

B. C. Interest Runs High In Mining Conference

From Our Own Correspondent

VANCOUVER.—Interest is high in B. C. in the Ottawa conference on revival of prospecting. British Columbia is at present regarding with some anxiety the fact that, apart from Zeballos and Fort St. James, no new fields of importance have been developed in the past 25 years.

Many suggestions have been made by mining men here in an effort to restore the incentive for more intensive prospecting. A. E. Jukes, president of Gold Belt Mines and a leader in the industry for years, believes that one of the most effective steps would be to permit mining companies to charge funds expended on new exploration against current earnings.

Pay Tax on Exploration

In effect, he points out that if a mining company spends $100,000 to $250,000 a year in searching for new mines, it must pay the ordinary rates of income tax on these amounts. A 50% depletion allowance for the purpose of Federal taxation in place of the 20% now permitted would be more in keeping with the actualities of the case, Mr. Jukes contends. The lifetime of a mining operation on the average is a brief span of years and equity demands that a fair chance be afforded for return on capital.

Urge Fewer Restrictions

Many mining men urge that greater emphasis be placed in future on the constructive rather than the restrictive clauses of securities legislation.

Prospectors, many of whom claim that "the breed is born, not made," say that all they need is reasonable co-operation from the Government; more complete geological surveys to give them an indication of where the most promising areas might be found.

Several conferences have been held here during the past week bearing on the subject of aid to prospectors.

Some of the points emphasized were the following:

1. Government engineers should investigate and report on the possibilities of many of the mineral claims staked.
2. Government prospectors' training camps should be reopened next summer (Hon. W. J. Asselstine, minister of mines, states that the Government intends to do this in 1941.)
3. The Government should give more attention to financial assistance for prospectors who have taken the prospectors' training school courses.
4. There should be more definite co-operation between Government engineers and the prospectors.

Taxes Too High

5. Mine taxation is too high and uncertain. It is claimed that American capitalists who might otherwise place large sums in British Columbia for mine development have withdrawn their support because of taxation fears.
6. The present provision that new mines be not taxed during their first three years of production should be extended for a further three years after expiration of the present term in 1942.

Pressed Metals Sales Up About 20% in 1940

Sales of Pressed Metals of America in 1940 approximated $4.2 millions, it is understood. This compares with actual sales in 1939 of $3.5 millions. Business in the final quarter was on a good scale, totalling $1.3 million.

Earnings of the company in the first nine months of 1940 amounted to $472,000, before taxes and depreciation.

Westdell Drills In Porcupine

New Company's Property Adjoins to West of Delnite Mines

Following completion of financing which has placed $25,000 cash in the company's treasury, Westdell Porcupine Gold Mines will commence a programme of 10,000 ft. of diamond drilling shortly.

The company's property adjoins to the west of Delnite Mines in the southern part of the Porcupine area and is believed to cover the extension of the ore zone running through Buffalo Ankerite Gold Mines, Aunor Gold Mines and Delnite Mines.

Holes Spotted

A series of holes has already been spotted by the new company's consulting engineer.

The property totals 316 acres and was formerly owned by McManus Red Lake Gold Mines which receives 1.3 million pooled shares of the new company for the property. Authorized capital of the new company is three million shares.

Draper, Dobie & Co., Toronto, arranged financing of Westdell Porcupine Gold Mines for its programme of diamond drilling.

Gold Fields Mill Nears 600 Tons

December Output Shows Big Increase Over Previous Month

An increase in the milling rate to 600 tons a day is expected at Malartic Gold Fields "early in the New Year" when new filters are brought into operation, J. P. Norrie, general manager, states in the company's December progress report. During December the mill treated an average of 474 tons daily.

Production in December showed an increase to $109,286 from 14,638 tons of ore for an average recovery or $7.47 a ton. This compared with the previous month's recovery of $100,841 from 14,295 tons, an average of $7.05 a ton.

During December the new "B" ore body was intersected in a crosscut at the first level showing a width of 7.7 ft. running 0.4 oz. per ton. Drifting on this body was carried 125 ft. averaging 0.33 oz. per ton.

Drifting west was carried out during the month on the "D" ore body at the third level with the 100 ft. of advance averaging 0.12 oz. per ton. Drifting east and west on the "F" ore body at the same level showed 43 ft. of ore running 0.19 oz.

Drifting was also carried west on the fourth level with 56 ft. averaging 0.09 oz.

A drill hole put out north from the end of the 449 crosscut intersected 4.5 ft. of diorite assaying 0.18 oz. per ton. Another hole north from the second level "D" drift to the west also cut 11 ft. of diorite running 0.19 oz.

Draper Dobie Surveys Outstanding Mines

In a special booklet entitled "1941 Investment and Speculative Opportunities," Draper Dobie & Co. draws attention to eight Canadian gold mining issues regarded as combining possibilities of future growth with safety.

Two of the eight issues selected, Kerr-Addison Gold Mines and Preston East Dome Mines, are viewed as junior dividend-paying mines which are even now breaking into the senior gold category.

In the junior dividend-paying gold field, Draper Dobie & Co. chooses Chesterville Larder Lake, Madsen Red Lake, Cochenour Willans and Broulan Porcupine Mines as offering "safety of principal plus exceptional appreciation possibilities."

Two other companies, Senator-Rouyn and Francoeur Gold Mines, are given as developing mines with chances of expanding their ore picture.

The booklet gives many details on ore, milling position and earnings as well as details of issued capital.

Can. Nor'n Power Mine Demand Up

New Contracts Made, While Val d'Or Franchise is Renewed

From Our Own Correspondent

MONTREAL.—Canada Northern Power Corp. reports a contract has been signed for the supply of power to Brock Gold Mines, in the Eastern Kirkland Lake area. This required construction of a short transmission line, which was completed on November 18 last when power was turned on.

The quarterly report to shareholders also states that in the Noranda-Rouyn area, the Powell-Rouyn Gold Mines mill was placed in operation in October, considerably increasing that property's power demands.

In the same district excellent progress is being made on the construction of a mill at the property of Senator-Rouyn Ltd. and it is expected that this mill will be in operation in April.

The franchise, it is further reported, providing for domestic and commercial service to the residents of th town of Val d'Or, in northern Quebec, has been renewed for a term of five years.

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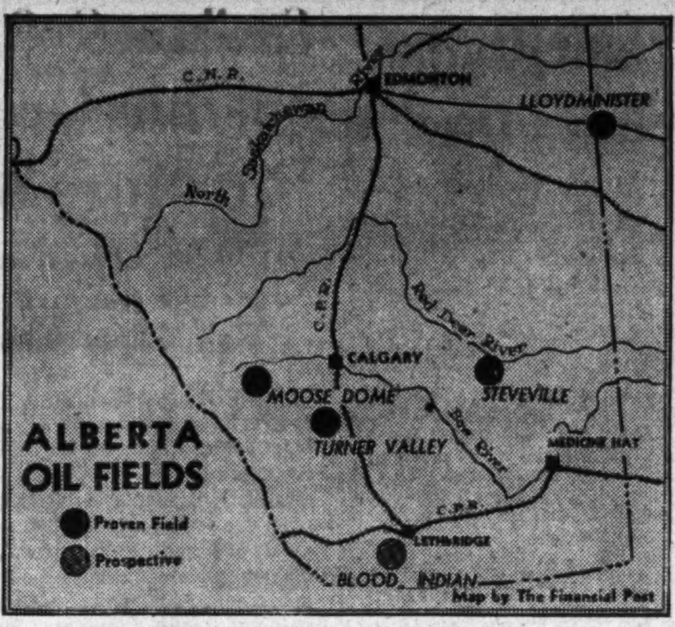

ALBERTA OIL TO FORE

Important new developments are taking place in western oil. Instead of one proved field—Turner Valley—western Canada can now boast no less than four: Turner Valley, Steveville, Lloydminster-Vermilion and Moose Dome.

Disclosure of new fields is of threefold significance. Less foreign exchange is now needed for oil, the search for further fields is being heightened and finally possibility of a pipe line to the industrial East is increased. Interest at the moment centres on the Blood Indian Reserve where the Northwest Co., Imperial subsidiary, has completed a well to the important Madison limestone. Completion of the well is expected in another week.

Mining Concentrates

Buffalo Ankerite Gold Mines production for the last quarter of 1940 showed practically no change from the preceding quarter:

Quarter ended:	Tons milled	Tons daily	Recov. per ton $	Total recov. $
Dec. 31, 1940	99,383	1,092	7.16	612,140
Sept. 30, 1940	90,935	999	6.74	612,992

* * *

Gan Copper Mines is expected to get a programme of diamond drilling under way shortly with two drills being moved into the property last week. The drilling contract is stated to call for 5,000 ft. of drilling.

* * *

Hard Rock Gold Mines showed a considerable increase in production in the last quarter of 1940:

Quarter ended:	Tons milled	Tons daily	Recov. per ton $	Total recov. $
Dec. 31, 1940	29,212	331	11.16	326,004
Sept. 30, 1940	29,497	324	9.75	287,551

* * *

Island Mountain Mines Co. produced $62,216 in December compared with $69,432 in November, it is reported.

* * *

Kootenay Belle Gold Mines showed a considerable decline in production in December:

1940:	Tons milled	Tons daily	Recov. per ton $	Total recov. $
December ...	2,445	79	9.00	22,000
November ...	2,424	81	11.75	28,500

* * *

Negus Mines showed a substantial gain in output in December:

1940:	Tons milled	Tons daily	Recov. per ton $	Total recov. $
December ...	1,897	61	39.61	75,152
November ...	1,835	61	34.79	63,843

* * *

Naybob Gold Mines showed an increase in production in December with a stepping up of the milling rate more than offsetting loss of two days' operations:

1940:	Tons milled	Tons daily	Recov. per ton $	Total recov. $
December ...	5,083	164	10.08	51,218
November ...	4,470	149	10.07	45,050

* * *

Sand River Gold Mining Co. reports higher production for December:

1940:	Tons milled	Tons daily	Recov. per ton $	Total recov. $
December ...	2,873	93	12.19	35,043
November ...	2,839	95	11.68	33,606

* * *

Perron Gold Mines completed its No. 5 shaft to a depth of 1,972 ft. in December. At a depth of 1,950 ft. a quartz tourmaline vein was encountered with mineralization. Drifting was carried 194 ft. on the 32 vein at the 12th level, averaging .10 oz. across drift width. At the level above, 158 ft. of .10 oz. grade was opened up, bringing the ore length to 358 ft. averaging 0.25 oz. Production was lower in December, totalling $152,015 from 13,361 tons of ore for an average recovery of $11.38 a ton. In November $168,537 was recovered from 11,607 tons, an average of $14.52 a ton.

* * *

St. Anthony Gold Mines is now crosscutting at the 875-ft. level to intersect diamond drill results obtained in the west break. Other sections on upper levels are stated to continue providing additional ore as developed. Diesel engines now supply all motive power; it is planned to use Diesel plant half the year and hydro-electric power the other half. Sufficient power is available for sustained production at 200 tons daily. December output was $48,500 from 6,235 tons of ore, an average recovery of $7.78 a ton. During 1940 more than $422,500 was recovered from 59,074 tons against $293,502 from 23,379 tons in 1939. Financial position of the company has been improved with loans wiped out, the company reports.

* * *

Sullivan Consolidated Mines showed a slight increase in bullion production the last quarter of 1940:

Quarter ended:	Tons milled	Tons daily	Recov. per ton $	Total recov. $
Dec. 31, 1940	31,876	350	10.68	340,557
Sept. 30, 1940	32,380	356	9.34	302,347

* * *

Senator-Rouyn recovery totalled $32,551 from 4,119 tons of ore for an average recovery of $7.90 a ton from Dec. 16 to 31 inclusive. Output for the month was $72,068 from 7,943 tons, an average of $9.07 a ton. Milling at the Arntfield mill was commenced Oct. 15 and to Dec. 31, 1940, $182,209 was recovered from 20,719 tons, an average of $8.79 a ton. A considerable quantity of dump ore was treated during the period and gold absorption took place in the mill circuit. During December ore was drawn from three stopes on the 375-ft level and two stopes on the 500-ft. level. Construction of the mill building has been completed and it is now being roofed in.

Moneta Porcupine Net Off Last Quarter

A slight decline in earnings was experienced by Moneta Porcupine Gold Mines in the three months ended Dec. 31, 1940. Net profit for the period totalled $118,603, equal to 4.66 cents a share compared with $130,130 or 5.1 cents a share in the preceding three months.

Production in the December quarter amounted to $271,226 from 16,169 tons of ore milled for an average recovery of $16.77 a ton. This compared with $285,943 from 16,120 tons of ore and an average of $17.74 a ton the previous three months.

Investment and miscellaneous income was $8,470 in the December quarter and $8,709 in the September quarter.

Week in Oils

From Our Own Correspondent

CALGARY.—Just 48 bullets fired into the Madison limestone from a Lane-Wells gun-perforator brought production of the Standard Oil Co. of British Columbia Princess No. 2 well to a level comparable with many a deep Turner Valley oil producer.

As a result of gun-perforation, it was stated officially this week, the Steveville area "discovery" well is producing steadily at about 381 bbls. of crude oil and 9.9 million cu. ft. of natural gas per day. The output is more than double the production recorded after the well's successful completion Dec. 30. At that time production totalled about 160 bbls. of oil and 4.6 million cu. ft. of gas per day.

* * *

Vermilion Production

The Western Battleview No. 1 well in the Vermilion Field was placed on production during December, according to word received in Calgary this week. Operating intermittently and only when storage facilities were available, the well produced 675 bbls. between Dec. 13 and 31. Battleview No. 2, the "discovery" Vermilion producer placed on the pump last May, produced 1,071 bbls. during December. Vermilata-Frankview No. 2, placed on production in October, reported production of 315 bbls. in December.

* * *

1940 Oil Record

Alberta's 1940 oil production was approximately 8,494,500 bbls. with a value of about $10,440,000, according to an estimate by the Conservation Board this week. The year's output establishes a new all-time record, exceeding in barrels by 900,000 and in value by well over $1 million, the previous record set in 1939.

The 1939 oil output was 7,594,411 bbls. valued at $9,389,540. In 1938 production amounted to 6,742,039 bbls. worth $8,369,488, while in 1937 only $4,902,738 was realized from the production of 2,796,908 bbls.

On the basis of these preliminary 1940 production figures, total recorded Alberta oil production since 1914 is 36,603,352 bbls. Of this total, Turner Valley crude oil wells have, since completion of the first well (Model No. 1) in 1930, contributed 24,010,147 bbls. Valley oil well output in 1940 alone was 8,098,000 bbls.

* * *

New Record This Year?

This year is generally expected to set still another Alberta oil production record. Output of Turner Valley oil wells is expected to exceed the 1940 record. In addition, the Vermilion and Steveville areas, proved as sources of crude oil during 1940, are expected to develop substantial production. Several other areas, as yet unproved but now undergoing careful test, may also develop into the producing class during the next 12 months.

* * *

New Turner Test

The northwest extension of Turner Valley, limelighted last October by the successful completion of the Alberta Oil Incomes No. 2 test, was back in the news this week with announcements that:

1. A new far north test will be drilled immediately two miles to the northwest of the present most northerly producer.
2. Two wells, one a quarter of a mile north and the other a full mile north of the Incomes producer, have been spudded in.

The new far north test is Atlas-British Dominion No. 2. It is to go down in L.S.D. 4 17-21-3w5, just over two miles northwest of Alberta Oil Incomes No. 2. A new heavy duty rotary rig is being imported from the United States and will arrive at the lease early in February. Meanwhile cellar and derrick are being readied at the location.

The Atlas-B. D. venture is backed jointly by Atlas Investments, British Dominion Oil & Development Corp., Wales Petroleums and Clifton C. Cross & Co. These groups are purchasing or underwriting the issue of 55% preferred net royalty, through which drilling is being financed.

Geologist J. O. G. Sanderson, whose previous reports led to the successful North Extension development by Home Oils and Alberta Oil Incomes, says of the Atlas-B. D. site: "There is good reason to expect strong production in the limestone at this location. It lies on strike with some of biggest wells in Turner Valley and is on a relatively uniform, unbroken portion of the west flank of the structure." Sanderson's preliminary estimate of the depth to the Madison objective is 6,650 ft., compared with a depth to the lime of 8,409 ft. at Alberta Oil Incomes No. 2.

* * *

Area Said Favorable

Spudded in this week on the north Extension were Ace Royalties No. 1, quarter of a mile north of the "discovery" producer in L.S.D. 5 4-21-3w5, and Major Oil Investments No. 3, a mile to the north in L.S.D. 1 8-21-3w5. Both wells, according to Geologist Sanderson, will reach the lime shallower than did Alberta Oil Incomes No. 2.

Ace Royalties is financed jointly by Commonwealth Petroleums and Command Oils, which have taken up the entire 52% preferred net royalty issue. The two companies also share the 23% deferred net royalty and each holds 2½% gross royalty. A total of 20% gross is payable.

The Major Oil Investments test is sponsored by Clifton C. Cross & Co., F. A. Schultz, George Harris and C. S. Bell, who are underwriting or purchasing the 52% preferred net royalty issue. There is 25% gross royalty payable against the well.

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Aluminium Ltd. Wants Warrants Cashed

From Our Own Correspondent

MONTREAL. — Aluminium Ltd. has sent a notice to holders of fractional share warrants, issued as a stock dividend in April, 1939, drawing their attention to the fact that if they have not exercised the warrants, the fractional units may be redeemed at the rate of $13.8568 per 1/10 share on surrender of the warrant to the National Trust Co.

Up to and including May 1, 1940, these warrants carried the right of exchange for a full share certificate when the holder possessed sufficient additional warrants to make a full share. The right of exchange expired on May 1 last and shortly thereafter directors sold the shares not taken up by warrant holders.

Cash realized from the sale and from dividends accrued during the period April 28, 1939, to May 1, 1940, has been available for distribution since last May.

Canadian Petroleum
SPITFIRE FUND
DESIGNED as a means for the Canadian Petroleum Industry—from the producer to the individual investor—to aid Great Britain's Heroic War Effort, this fund is sponsored by the Associate Companies of Clifton C. Cross.

The objective of the fund is $25,000.00 the cost of a Spitfire Fighter Plane.

Every dollar subscribed to the fund will go to the British Government. All costs incidental to the fund are being borne by the sponsors.

All subscriptions to the fund will be handled by the Prudential Trust Company Limited, who have offered their services as Trustee, without remuneration.

Your subscription to the Canadian Petroleum Spitfire Fund is invited, and no amount is too small.

A pamphlet has been prepared explaining the fund in detail, and copies may be had from the Prudential Trust Company Ltd., or any of the Associate Companies of Clifton C. Cross.

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Nickel Output At War Peak

Company is Vital Factor In Canada's War Effort

By **GORDON M. GRANT**
Staff Writer, The Financial Post

Veiled in wartime secrecy, operations of International Nickel Co. of Canada—this country's largest metallurgical enterprise — are now partly a matter of conjecture rather than definite knowledge.

With no figures on base metal output available, an accurate estimate of the company's productive effort is not possible although quarterly earnings statements do give some clue as to the trend.

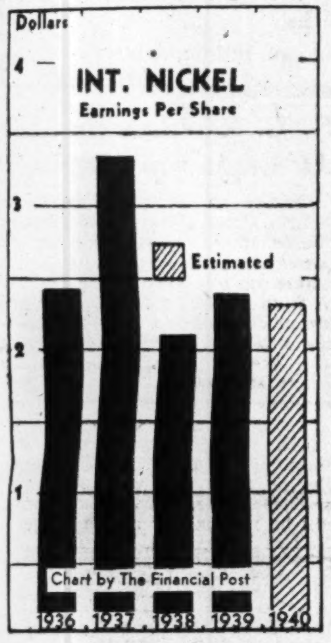
But while numerous details are lacking, The Post can say that International Nickel's war effort is a great one. Numerous indications point that way; and certain facts back up these indications. More nickel was sold and consumed last year than in any previous year of Inco's history; in view of this, it would be surprising if production of nickel were not also the greatest in history. If production of nickel was a record, output of by-product copper would probably be a record too.

Refineries at Capacity

At the present time electrolytic refining facilities of International Nickel are working at capacity, according to The Post's information. Other means are now being used to increase nickel output still further. This is borne out by the statement of Falconbridge Nickel Mines last week. (Falconbridge uses Inco refining facilities.) Quoting the Falconbridge statement:

"Further, with available electrolytic refining capacity working already at its utmost, it will be necessary to resort to other means of making this matte available for alloying purposes . . ." Falconbridge is in the position of participating in International Nickel's operations.

Matte can be used without electrolytic refining for making three things: Monel metal, nickel oxide and nickel shot. Fire refining is cheaper, gives a less pure product. Electrolytic refining has never entered into the making of Monel metal and it is only comparatively recently that electrolytic refined nickel has been used in the manufacture of nickel oxide and nickel shot. With electrolytic refining facilities working to the limit of their capacity, nickel output can be increased most easily by going back to fire refining for nickel oxide and nickel shot. Furnace facilities can be installed more cheaply than electrolytic refining facilities.



No Major Expansion

During 1940 there was some expansion in both the refining and concentrator ends but there was no increase of major proportions. Much of the money spent went to gear various units together with greater efficiency, allowing operating economies.

For several years now preparations have been made, however, so that ore could be mined on a larger scale if desired. If a decision is made to increase surface plant at a more rapid rate, it is believed the mines will be in a position to deliver any further ore needed.

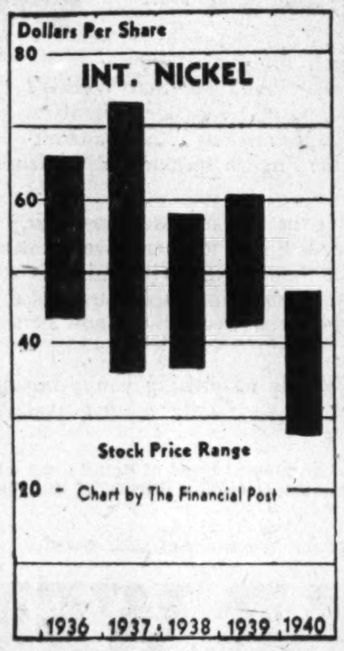
When last week it was announced that Falconbridge operations were being stepped up from roughly two thirds to full capacity, it was stated that current increase in nickel demand might be only temporary. This may prove so but with output of the war industries being increased in the United States, the United Kingdom and Canada, further increases in the demand for nickel seem not only possible but even likely.

Expansion Possibilities

No hint has so far been thrown out by the International Nickel management as to increasing all-round capacity by any large amount. Expansion so far has been a continuous, gradual process. Further capacity might indeed be useless after the war and might add but little to present profits due to the excess profits tax. However, increased capacity may be necessary to take care of the ordinary uses for nickel which must at present be filled after war demands are fully met. Naturally the company wants its regular business to be filled without any interruption.

Taxes Hit Profits

Normally peak production would mean record profits for International Nickel. That is not the case today and profits this year may not reach the $3.32 a share realized in 1937—a year of peace. The excess profits tax takes a minimum of 30% of the company's profit and is enough to skim off the bulk of any profits resulting from abnormal demand. In spite of the increase in nickel demand the price of nickel has been maintained at the same level—35 cents a pound in United States funds. Moreover the bulk of the company's copper goes to Great Britain at a fixed pre-war price. Most of the company's costs are incurred in Canada and this has helped profits, with the Canadian dollar below the U. S. unit. On the other hand, taxes, have been increased in the United States. In the United Kingdom the excess profits tax is 100%.



Operating Profits Gain

In the first nine months of 1940 operating profits (before taxes) showed a wide increase over the previous year, although they were not quite up to the level of 1937. With sales in 1940 a new record, however, it is quite possible that operating profits were boosted to a new high for the year due to last quarter results. With the difference in exchange helping the company, record sales would ordinarily be expected to give record profits unless an important increase in costs was experienced. The company states its earnings in United States dollars and from the Canadian shareholder's viewpoint earnings and dividends can be considered 10% greater than the figures issued by the company. It probably will be a long time before the Canadian dollar is brought back to par.

There are good reasons for believing the recent increase in the demand for nickel will not be temporary. This may be a long war. As long as the war lasts it is likely that war industries will be making a total effort to achieve arms superiority for the democracies. A total war effort suggests an increased nickel demand rather than any falling off in the amount required by consumers.

Peace to Bring Changes

After the war International Nickel will face a new set of conditions. The new situation, however, is not expected to present the difficulties encountered after the last war. Then, nickel was only a war metal and the company had to spend millions of dollars on peacetime research. Now, nickel is regarded as finding its greatest use in peacetime industry even though it is assisting the war effort powerfully. In this war the company hopes that new war uses may assist in developing still further peacetime uses for after the war.

To date, war demand has been taken care of by practically peacetime facilities. If further war demand brings plant expansion, it does not appear likely that this expansion will have to be tremendous in relation to the plant capacity necessary in peacetime. Granted excess capacity has to be built up to take care of war demand, the company is in the extremely fortunate position of being able to keep the price of its chief product, nickel, on an even keel when peace returns. The dangers of overproduction need not be experienced from nickel at least.

Financial Position Strong

That International Nickel can take care of any required expansion without straining its financial resources cannot be doubted. Working capital at the end of 1939 amounted to $66 millions, including $45 millions in cash. With profits running higher than dividends last year, this figure may have been increased by now. Money returning from depreciation and depletion charged to operations usually takes care of a good part of additions to property in a normal year.

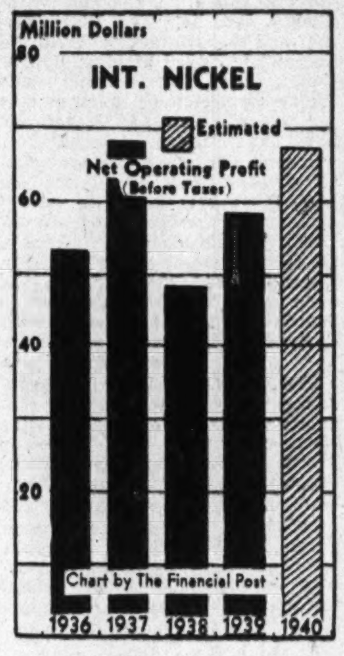
During 1940 the company worked on increasing concentrator capacity from 16,000 to 20,000 tons daily. This will give a considerably greater capacity to this part of the company's operations. About 4,000 tons of ore daily goes directly to smelters at Copper Cliff and Coniston.

Could Mine 30,000 Tons

Changes have gradually been made for a number of years to allow the mining of a greater tonnage of ore. It was stated at the last annual meeting that as much as 30,000 tons of ore a day could be mined if the nickel and copper requirements of Great Britain became sufficiently great. Development of the Frood open pit has increased greatly the tonnage of ore that can be mined. It is expected that eventually 12,000 tons a day can be mined by the steam shovel method. Later on, it is expected that open pit mining will also be carried out at the Stobie mine. Preparations for a broader mining scale have been made at the Garson and Creighton mines where shaft sinking has been carried out.

Repatriation Hits Market?

Details on sales of British securities in the United States have not been issued, but it has been assumed that International Nickel shares have taken a place in such selling, although there has been no actual vesting order. It is pointed out that United Kingdom holders can voluntarily sell their holdings in the United States market but that they cannot increase them. This means a one-way flow of International Nickel stock to the United States. Selling of British holdings of International Nickel may possibly have been a factor making for the big spread between the Canadian and American quotations on these issues, even allowing for exchange. Authorities on the subject do not lean to the belief that the heavy discount prevailing on Canadian securities in the United States reflects a low intrinsic value of the Canadian dollar. The free Canadian dollar does not sell at anything like the discount found on Canadian securities in New York.



Affects Canadian Market

This big discount existing on International Nickel and other Canadian securities in New York no doubt has its effect on the market for the same securities in Canada. Two weeks ago The Post drew attention to the way Americans could bring in these stocks from the States for sale in Canada to pay for purchases of issues on which a market is available here, but not in the country to the south of us.

How long the big discount will continue on Canadian stocks in the United States is something that depends on the length of the war and its financial cost. With the United States supplying "a line of credit" to the United Kingdom, perhaps there may be indirectly less immediate strain on Canadian financial resources than would otherwise be the case.

Selling May Slow Up

Another factor also enters the situation which might change the Inco stock picture. Sales of United Kingdom securities in the United States market may not be pressed now. Other possibilities also exist. The United States Government may take over remaining United Kingdom holdings of securities to facilitate purchases in the United States. Reports have also been heard that some of the large American investment trusts might take over many of these securities en bloc. Either of these moves might place International Nickel shares in a better market position than at present, removing any fear of mass liquidation of United Kingdom International Nickel holdings on the American market. In England there is a certain tendency to look on International Nickel as a British industry, due to the Mond Nickel Co. and its extensive holdings in England. For this reason, extensive sale of Nickel shares in the States might be delayed for some time.

Mining Enquiries

Magnet Consolidated

Can you give me some indication of earnings of Magnet Consolidated Mines for 1940? Were the dividends of 10 cents a share paid for last year covered by earnings?

Indications suggest that during 1940, net profits of Magnet Consolidated Mines more than covered dividend distributions of 10 cents a share. In six months of production in 1939, earnings were equal to 6 cents a share. Production in 1940 averaged approximately 10% higher than in 1939, so that earnings for the full year, 1940, were probably at least 12 cents a share even after allowing for heavier taxation.

Development of the lower horizons of the mine has been returning high grade ore similar to that opened on the upper levels. Ore reserves at Jan. 1, 1940, totalled 48,000 tons above the 930-ft. level. In view of results obtained in work in 1940, it appears that the ore position has been maintained, although definite data on this point are not available.

Pamour Porcupine

Has there been any recent change in the position of Pamour Porcupine Mines that might indicate that the outlook of the company is improving?

While shares of Pamour Porcupine Mines have shown some strength in recent months, no new developments have been reported from the property to which this might be attributed. It may prove that some of the ore of the adjoining Broulan Porcupine mine will strike and dip into the company's property, but a month will be required for underground work to start development in this sector. Exploration in this area, however, might result in the opening up of a considerable tonnage of better than average grade ore.

Last year Pamour earned 13.5 cents a share and profits for the first six months of this year amounted to 7 cents a share. With no figures on production available past the first six months, it is impossible to tell if profits have been increasing in the last half of 1940. Two dividends of 6 cents each were paid by the company this year.

Siscoe Gold

Do you think there is any possibility that Siscoe Gold Mines will achieve higher earnings in the near future? The performance of the company has been rather disappointing for some time now.

For the last few years Siscoe Gold Mines has been suffering from a decline in earnings caused chiefly by a weakening of the company's main ore zone, as depth has been reached. Treatment of a lower average grade of ore has become a necessity and there appears to be no prospect of a sudden restoration of earning power unless some new discovery of importance is made.

A wide programme of exploration has been carried on for some time which has resulted in the opening up of some new ore. The Hope vein, for instance, has yielded a considerable footage of higher than average grade ore, and has improved the company's ore picture considerably.

Ore reserves at the end of 1940 are expected to show a slight decline in tonnage, with average grade maintained, it is stated. This means that the company has still 2½ to 3 years' ore ahead of the mill, without counting on what future exploration reveals.

Toburn Gold Mines has raised its regular quarterly dividend payment from 2 to 3 cents a share, while the extra of 2 cents a share a quarter continues to be paid. Next distribution to shareholders will be on Feb. 22, 1941, to shareholders of record Jan. 22.

Cariboo G. Q. Cuts B.C. Vein

Main Crosscut Finds Downward Extension in Heart of Mountain

From Our Own Correspondent

VANCOUVER. — An important new chapter in Cariboo gold mining's story may have been opened when Cariboo Gold Quartz crews encountered what R. R. Rose, managing director, believes to be the "B.C." vein.

It is still too early to make an estimate of the possibilities of such a development, but if the surface indications are borne out by the operations now proceeding from the main haulage level, which is about 1,000 ft. from the surface, the company may have a large new ore body to work on—sufficient to justify enlargement of the mill to make it one of Canada's major producers.

What appears to be the "B.C." vein was contacted in the heart of Barkerville Mountain. The vein is regarded by company officials as probably the most important objective in its development of the entire six miles of the famous Barkerville "Rainbow member."

Maps of the company show that for the last 3,500 ft. the main crosscut known as the 1,500 level has been headed directly toward the downward extension of the "B.C." vein, approximately 9,300 ft. from the portal. In line with the development of that area the company recently purchased the St. Laurent claim for $20,000.

The company's mill is now handling 350 tons of ore daily, but additional equipment is available to step this up to 400 tons without much additional expenditure.

Terrace Oil Co. Plans Drilling in Manitoulin

Following a detailed survey of the district of Manitoulin by Dr. W. A. Kelly, consulting oil geologist of east Michigan, Terrace Oil Co. Ltd. has acquired leases on 2,980 acres covering ground for which Dr. Kelly recommended a programme of drilling. Dr. Kelly's recommendation covers a minimum of three wells on a structure he located.

Authorized capital of Terrace Oil Co. is 150,000 shares of $1 par value. No shares were issued for property, only 6,043 shares at par for expenditures.

Falconbridge Mill Goes to Capacity

Increased Demand For Nickel Causes Stepup For Time Anyway

Due to the current increased demand for nickel, Falconbridge Nickel Mines is preparing to go on full production of matte, the company reports. It is possible that this increase in output may be no more than temporary.

With electrolytic refining capacity working already at its utmost, it will be necessary to resort to other means of making this matte available for alloying purposes, and this will not affect the normal profit spread. The proposed increase in production must be considered the company's contribution to Canada's war effort and not as an indication of former profits being resumed.

Hire More Men

The number of employees to be rehired with operations stepped up to capacity will not be large, it is stated, but the move will bring total forces nearly to the average maintained previous to the cut in operations.

In view of the unusual conditions under which Falconbridge is operating at this time, directors contemplate, against their usual practice, issuing a report of operations for the final quarter of 1940 prior to the date when the annual report is available. The report is expected to be available within a few days.

McLellan L. L. Deal Approved

New Company to Be Formed Under Agreement With Haras Corp.

At a special meeting last week, shareholders of McLellan Long Lac Gold Mines gave their approval to a financing deal with Haras Corp., Toronto mine financing firm.

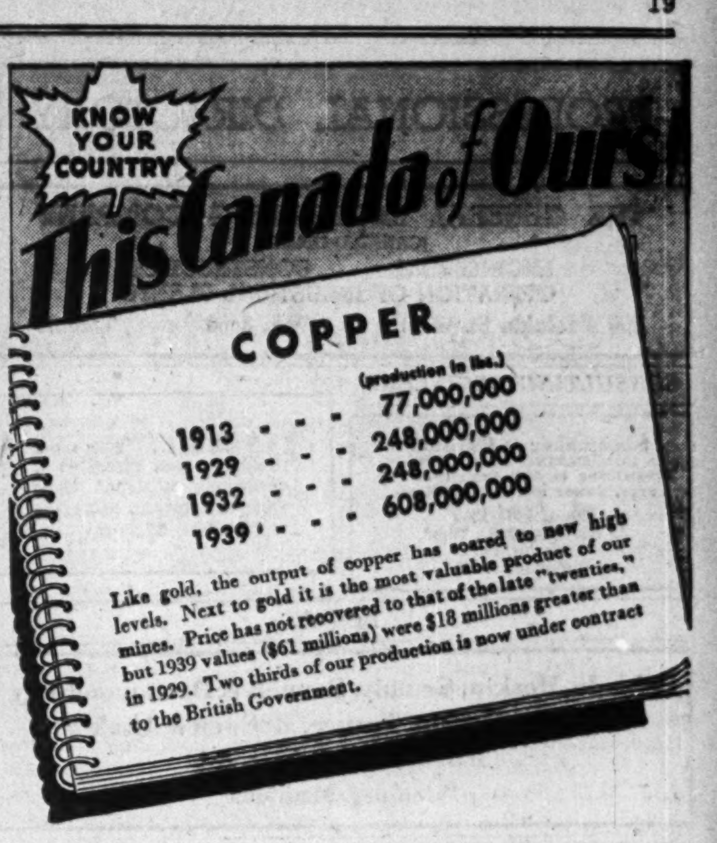
Under the deal approved, a new 3-million share company will be formed to take over the company's south group of eight claims with McLellan Long Lac to receive a million of the new company's shares after allowing 100,000 shares as commission on the deal.

Put Up $47,500

Haras Corp. has agreed to purchase 475,000 shares of the new company at 10 cents a share with $47,500 placed in the new company's treasury for development. Options are also granted to Haras Corp. on 1,425,000 shares to provide the company with an additional $522,500 if fully exercised.

Diamond drilling carried out on the property being taken over is reported to have indicated two zones. One of these to the north is possibly 500 ft. long, running $6 across 9 ft. The zone to the south has an indicated length of 540 ft. running $4 across 20 ft.

Present plans visualize a programme of underground work to investigate the zones disclosed in drilling.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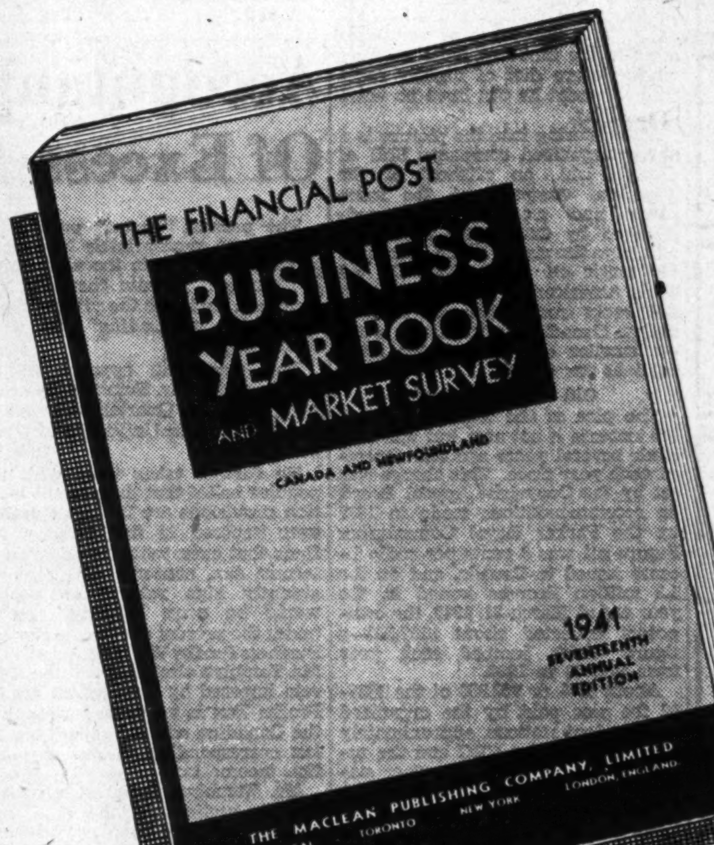
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CANADA AND NEWFOUNDLAND
1941
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B.C. Telephone Co. To Increase Stock

Proposals Intended to Keep Capital Structure Balanced

From Our Own Correspondent

VANCOUVER. — B. C. Telephone Co. is applying for the right to double its capital stock — from $10 millions to $20 millions and notice for revision of its charter, with leave to issue new stock pending authority from the Transport Board, has been given.

James Hamilton, vice-president and general manager, states that the increase is proposed to bring the financial structure of the company into conformity with the physical expansion which the company has undergone in recent years. The company's business is now four times as great as it was in 1916 when the present capital was set up.

Recent financing has been through bond issues, but the company believes that its financial structure would become topheavy if additional bonds were issued.

Heavy capital expenditures for war purposes have made the change necessary at this time.

Canadian Celanese Head Sees Widening Demand

From Our Own Correspondent

MONTREAL. — Acceleration of consumption of celanese and other textile fibres as a result of the war is seen by Dr. Camille Dreyfus, president of Canadian Celanese Corp. and Celanese Corp. of America.

"Strictly speaking," he said, "certain textiles are not a dependent war item. However, the constantly increasing use in miscellaneous fields gives them an importance which may move them closer and closer to their classification. At present, development work is going on in connection with the use of celanese in men's and women's underwear cloth, scarves, rugs, table cloths and blankets.

Canada Ships $829,979 Of Pulpwood to States

From Our Own Correspondent

MONTREAL. — Canadian shipments of pulpwood to the United States during November totalled 91,543 cords with a value of $829,979, according to returns compiled by the U. S. Dept. of Commerce.

American Radio Music Row Threatens Spread to Canada

By HAROLD H. HILLIARD,
Staff Writer, The Financial Post

Supposing you tuned in your favorite Canadian radio station tonight and every other night for the next six months and consistently noted most of your pet tunes missing. Let us assume there was no more of Carrie Jacobs-Bond's "I Love You Truly," or Irving Berlin's "Alexander's Ragtime Band," or countless hundreds of other melodies which remind you of happy days five, ten—twenty years ago.

This already has happened in the United States, due to a war between the American broadcasters, represented by Broadcast Music Inc. (BMI), and the artists, who are banded together in the American Society of Composers, Authors and Publishers (ASCAP).

For the use on the radio of music on which ASCAP holds the copyright, ASCAP wanted to boost its charges to the broadcasters from about $4.5 millions in 1940 to what is said to be roughly $8-$9 millions this year. The broadcasters said no, and organized BMI to find new songs, revive old ones and locate music for which no one held the copyright.

Old Music Dropped

BMI succeeded in its gigantic assignment, so on Dec. 31—the date the contract between broadcasters and composers ended—the familiar music of ASCAP was dropped from the air. In its place came BMI songs.

In Canada, hovering menacingly like a rain cloud and ready to burst forth in full fury, is a similar controversy which up to now has been hidden behind closed conference room doors. Cause of it is a request to Ottawa for an increase in the fee collected by the Canadian Performing Rights Society (CPRS) for the use by Canadian broadcasters of music and verse composed by CPRS members. The society is the Canadian counterpart of the American Society of Composers and other similar organizations in many Empire and overseas countries, and the boost sought is similar in principle to the demands of the American composers on the U. S. radio companies.

CBC's Position

The broadcasters include the Canadian Broadcasting Corporation, which operates nine radio stations and the only network in the country, and the Canadian Association of Broadcasters (CAB), which represents 58 of the 70 independent radio stations. The other independents are unrepresented

The fee is the white hope of the composers. It is a headache to CBC and the independent broadcasters and begins to look like a worry, too, for the Copyright Appeal Board at Ottawa, which has the only and final say on what the Canadian Performing Rights Society or other similar organizations can collect. Finally, it is the cause of bewilderment to the innocent radio listener, whose future diet of nightly radio entertainment he can have no voice in deciding.

Also entering into the picture is a newly organized company, BMI of Canada Ltd., an offshoot of the American company of the same name and apparently godfathered by CAB. BMI seemingly will have the rights in the Dominion for music on which BMI (U. S.) holds American rights. In payment, BMI seeks from Ottawa the right to charge Canadian broadcasters a fee —a smaller one, but on the same basis as for CPRS.

Old Plea Renewed

The plea of the composers for a fee increase is not new, but was first made several years ago and repeated each year since. This charge was set by the Copyright Appeal Board on recommendations made in 1935 by the Parker Royal Commission. Figure set was 8 cents per radio license issued in Canada, and on the 1.3 million licenses issued in the year ended March 31, 1940, the composers collected about $107,500—a figure which jumped each year from $70,000 in 1936.

About 55% or $58,850 of the 1939-40 fee was paid by the organized independent stations, approximately 40% or $42,800 by CBC and the remaining 5% or $5.350 by other stations. It works out something like this: $10,000 to $12,000 a year for stations like CBF, Montreal, or CBL, Toronto; ranging down to about $8 to $10 for smaller outlets like CHCK, Charlottetown, P.E.I., CFGP, Grande Prairie, Alta., or CHWK, Chilliwack, B.C.

The composers want the fee increased from 8 to 14 cents—while, additionally, BMI of Canada has filed application for a 1 cent charge. The total of 15 cents would be almost double the existing impost—and would boost the annual revenues of the two organizations to about $200,000. Independent stations would have to pay an additional $51,500 annually—based on 1940 figures—and CBC another $37,000.

Bring Canada Into Line

The composers claim the increase merely would bring the Canadian rate into line with other parts of the Empire—such as Australia, South Africa and Britain. Furthermore, it would virtually close the gap between the existing Canadian rate and the figure sought by the composers in the U. S.

Some sources see the BMI (Canada) plea being stepped up annually—maybe to 2 cents next year, 4 cents the following year, and so on—if, as it is thought possible, BMI grows in stature and strength from its present position as little else but a name and dummy directorate.

The situation ostensibly is loaded with dynamite, which it is felt might be let loose on Feb. 12, when the Copyright Appeal Board meets in Ottawa. Sitting on the board will be Hon. A. K. MacLean, president of the Exchequer Court of Canada; E. H. Coleman, K.C., representing the Secretary of State; and Paul Fontaine, K.C., legal officer of the Dept. of Justice.

Representatives of the three most interested parties, the composers, the independent stations and BMI (Canada) will be present to air their views. The Canadian Association of Broadcasters already has announced its consent to BMI receiving a share of the fees now paid to the Canadian Performing Rights Society.

The Board could hand down any one of a number of decisions. It might, for instance, insist on no change in the 8 cents fee—possibly give BMI a share and cut down the CPRS proportion. Should it grant both appeals and step up the fee to 15 cents, what would the reaction be of the broadcasters, who must foot the bills?

What May Happen

Several things could happen. A major radio war might break out if the independent broadcasters moved even closer to BMI than now and helped BMI to blossom forth, as it did in the U. S., as a champion of the broadcasters and possibly as a powerful competitor to Canadian Performing Rights. The only difference is that, in the U. S., the chains sided in with the independent stations.

The situation in Canada, however, is different. The only chain here is CBC and it is by no means a bosom friend of the independent operators. The latter are understood to feel that CBC policy has been too arbitrary, due principally to its public ownership, which arms the Corporation with far wider powers than available to the U. S. chains. Also, there is the lack of a competitive chain—and CBC is understood to have the authority to determine whether an opposition network can function.

Where Stands CBC?

In any radio row a vital question would be: Where does CBC stand? And there are three obvious choices. The least likely, in the light of relations between CBC and the independent broadcasters in the past, is for CBC to side in with the other broadcasters. It is possible CBC, instead, might go the whole hog the other way and champion the cause of Canadian Performing Rights. Again, it might sit on the proverbial fence and remain passively aloof.

To listeners, the most important question is: What would happen to programmes—the musical and variety shows which seven nights a week keep millions of Canadian ears glued to small mantel sets and big consoles? Those fans who listen to U. S. stations—even American programmes broadcast over the CBC chain—already have received a good dose of what might be in store for them.

In the U. S. the demands of the composers for increased fees from the broadcasters boomeranged and resulted in the organization of the giant and now familiar competitor, BMI, whose primary job was and remains to find new songs, recreate old ones and locate modern "public domain" tunes—the ones on which no copyright is held. On Dec. 31, last, the contract between radio and the composers ended, and the new creation of the broadcasters, BMI, set out Jan. 1 on its gigantic task of entertaining the American radio audience gathered around 50 million sets.

The results can be heard now every night of the week, with the musical menu of Canadian fans of U. S. stations already undergoing dramatic changes. Total of $3 millions invested in BMI to date has resulted in about 300 new songs and the recreation of about 250,000 old ones.

To those with an aversion to the "jazzing" of sentimental songs the result is distressing. Fans who favor old tunes in almost any form find stronger attraction to the radio than before. Jitterbugs may voice in even greater gusto their perennial complaint: "Why can't radio give us more swing?"

Starting the new year in dramatic style, the U. S. broadcasters absented college band music from the various Jan. 1 "bowl" football games. Sports broadcasters worked from soundproof booths to prevent ASCAP music trickling into microphones.

The airwaves now wildly "jazz" the old ballad, "My Bonnie," the cowboy favorite, "Red River Valley," and the sentimental "Beautiful Dreamer." Played as often now as were "Beer Barrel Polka" and "Ferry-boat Serenade" a few months ago are the revived "Sweet and Low" and "I Dream of Jeannie."

In some cases the words are "public domain" and the lyrics are ASCAP property—and vice versa—so listeners now get, for example, "Memories and Moments" instead of the favorite words of the old-timer, "Moonlight and Roses." Still again, some music is "public domain" in Canada and ASCAP property in the U. S.—and vice versa.

Bring in New Songs

There are new theme songs introducing many of the popular programmes—for instance, Manhattan Merry-go-round, the American Album of Familiar Music, Radio Theatre and Fred Waring. Some brand new tunes produced by the broadcasters are said to include, "High on a Windy Hill," "So You're the One," and "Morning Paper." New accompaniments are needed for some of the familiar religious music—"The Lord Is My Shepherd," and "The Lord's Prayer."

The resulting confusion already has spread to Canada, as CBC is unable now to use any American Society of Composers' music on programmes fed to a U. S. chain—even though produced in Canada and also channelled into CBC's own network. "God Save the King," played on a Canadian-U. S. exchange programme, for instance, would be faded out by the U. S. network engineer, as the lyric is copyrighted in the U. S. by ASCAP. Canadians can get some consolation, however, from the fact that U. S. listeners to U. S. stations no longer can hear their favorite, "God Bless America" — composed by the well-known Irving Berlin and popularized by Kate Smith.

Accountant is Critical Of Excess Profits Tax

The present "excess" profits tax might more appropriately be termed a war profits tax, in the view of W. D. Tamblyn, Toronto chartered accountant. He terms the present name "somewhat misleading" on more than one ground.

The statement appears in an article which Mr. Tamblyn has contributed to the Quarterly Review of Commerce of the University of Western Ontario.

He further takes issue with the popular belief that the present taxation provisions are the most drastic ever imposed in this country. He finds that even with the addition of income tax, concerns earning consistently high returns on capital would be more leniently treated under the present act than under the Business Profits War Tax Act of 1917. Mr. Tamblyn also feels that the 100% rate imposed by the English Excess Profits Tax is no more severe than the Canadian act as England has no tax corresponding to our corporation income tax.

Mr. Tamblyn deals with certain specific sections of the act "over which there has been considerable controversy both as to interpretation and equity afforded the various classes of taxpayer."

Base Period

First of these to be dealt with is the "standard period." Standard period of firms with fiscal years coinciding with calendar years will be the calendar years 1936 to 1939 inclusive. But if fiscal years do not coincide with calendar years, the standard period is then the fiscal years ending in the calendar years 1936 to 1939.

Effect of this section of the act is that, unless the firm ends its accounts on a calendar year basis, a portion of 1939's profits will be left out of the calculation and a corresponding portion of 1935 results substituted, Mr. Tamblyn comments.

"As business conditions were generally much better in 1939 than in 1935 this means that firms with a year end prior to Dec. 31 will be penalized and, broadly speaking, the earlier the year end the greater the discrimination.

"There would seem to be no adequate reason from an administrative standpoint for the computation of standard profits on a fiscal rather than on a calendar year basis. Whereas it would be impracticable for a business which ended its year at other than Dec. 31, to arrive at actual net taxable profits for calendar years, a reasonably accurate result should be obtained by allocating profits on a monthly or per diem basis.

"The principle of the per diem allocation of profits has already been accepted under the act in the allotment of profits to the year 1940. In explaining the treatment of profits, Col. J. L. Ralston in his budget speech made the following statement: 'In order that firms may not receive discriminatory treatment because fiscal years happen to end on different dates, it will be recommended that the excess profits tax in respect of all business shall apply to profits earned on and after the same date, namely, Jan. 1, 1940, regardless of the expiry date of the fiscal year.'

"Had this concession not been made, however, and had firms, as a result, been taxed on a full year's profit for the fiscal year ended 1940, they would have undoubtedly received compensating release in the year the tax was lifted as was the case under the Business Profits War Tax."

Serious Discrimination"

"It is contended that by not allowing the standard period to be reckoned on a calendar year basis or even by not making such basis mandatory, a more serious discrimination resulted than is corrected by section 16 which Col. Ralston referred to."

Although admitting that some release is promised in the section of the act dealing with depressed industries, Mr. Tamblyn still notes that certain industries, particularly the so-called heavy or construction group, find the selection of the four-year base period 1936 to 1939 unfair. This inequity of "not allowing profits to be averaged on a calendar year basis is emphasized in the case of such industries."

Adjustment of Capital

Among specific sections of the act which Mr. Tamblyn deals with is that of adjustment of standard profits and capital employed. He points out that "it is clear that it is not the Minister's intention to allow a company any adjustment of standard profits in respect of capital increase solely by means of accumulated profits."

Standard profits may be adjusted under the act and in such a way that companies may receive full benefit in respect of increased capital but he points out certain inequities. He says:

"Obviously, a company that has increased its capital by the retention of profits alone is the victim of serious discrimination. In fact a company from which capital has been withdrawn might conceivably benefit by an adjustment of standard profits under the section, provided its cumulative profits exceeded the amount of capital withdrawn.

"Apart from the question of equity it is difficult to understand the Minister's differentiation between an increase in capital resulting from retention of profit as against an increase in capital resulting from the issuance of a stock dividend. True, the capital stock is increased in the latter case but capital is not defined as capital stock by the act. Thus, if cumulative earnings do not result in capital contributed, neither does the issuance of a stock dividend, regardless of the similarity of effect between a stock dividend and the return to the company of cash received in dividends in payment of additional stock issues."

He finds it hard to reconcile certain official statements by both Mr. Ilsley and Col. Ralston with "the harsh treatment promised by the Minister's brochure of firms undergoing rapid expansion and financing through 'ploughing back' earnings."

Case of Gold Mines

Mr. Tamblyn points out that the only factors that will determine liability of a gold mine for excess profits tax are the price of gold and the cost of production. Gold price has risen from $35 to $38.50 an oz., or a 10% increase over the former price. This factor alone, he claims, will not be sufficient to subject a gold mining company to more than the minimum tax of 12% as standard profits must be exceeded by more than 24.24% in the taxation period before the 75% rate is effective.

"It is well known that, unlike the average business, gold mines are able to exercise considerable control over their costs both by control of development expenses and by optionally mining low or high-grade ore. Such mines will find it in their interest, therefore, to maintain cost at old levels rather than reduce them," he feels.

"The one bad feature in this provision from the Government's standpoint is that gold mines are discouraged from mining high-grade ore and creating the largest possible supply of gold so urgently needed for purposes of foreign exchange."

Commercial Alcohols Issues More Stock

From Our Own Correspondent

MONTREAL. — Montreal Curb Market has called for trading 1,740 additional no par value common shares of Commercial Alcohols Ltd. These shares were issued under the employees' stock subscription scheme and brought the number outstanding to 189,330.

G. C. Bateman Speaker At Engineers Meeting

George C. Bateman, Dominion Metals Controller and president of the Canadian Institute of Mining and Metallurgy, will be guest speaker at the annual meeting of the Ontario Association of Professional Engineers, in Toronto Jan. 18. At the meeting, President-elect Stanley R. Frost will be installed in succession to James W. Rawlins. Reports of the retiring executive will be received and general business transacted. D. A. R. McCannel, president of the Dominion Council of Professional Engineers, will attend, and other engineering and professional bodies will be represented at the banquet.

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